# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

## Ulster school bus attacked

...gunmen yesterday ...ed a hail of bullets at a ...l bus which was picking ...children from scattered ...unities on Ulster's Co. ...e shore of Lough Neagh.

...front and the side of the ...ere riddled with bullets as ...wed down at a crossroads. ...ugh wounded in an arm, the ..., who is a Protestant police ...ist, accelerated out of the ...r area. Two teenage girls ...e bus—the only passengers ...e unharmed.

...district is predominantly ...lic and local people com... ...d last night: "These men ...to forget that the children ...driver was carrying are ...lic themselves. The girls ...on their way to Our Lady's ...n Catholic school at Cooks...

...Provisional IRA yesterday ...ted responsibility for the ...ombs which badly damaged ...worths in Belfast city centre ...erday.

...Wakefield jail in Yorkshire ...unger striker Frank Stagg ...as reported to be getting ...essively weaker. He is ...aiuning for transfer to an ...e jail.

### ...back for ...ess freedom

...ved Opposition efforts to ...e that freedom of the Press ...egal backing were rejected ...c Government in the Com... last night when the main ...amendment to the con... ...rsial Trade Union and ...ur Relations (Amendment) was defeated by a Govern... majority of 58. Voting was ...40.

Parliament Page 14

### ...anish bases ...ct due

...n is due to sign a new four... military bases agreement ...the U.S. over the week-end. ...ast this background and the ...ct of a thaw in Common ...et attitudes towards a new ...agreement, there were ...in Madrid that the wave ...rikes and demonstrations ...l roll back. Page 6

### ...deaths ...lained

...xplosion, which resulted in ...eaths of five mineworkers ...Houghton Colliery near ...ey last June, was probably ...l by a defective ventilation ...Mr. James Carver, chief in... ...r of mines and quarries ...ported. Page 10

### ...are colour ...o bar

...ding jail and detention ...ices pass as a "warning to..." on four members of a South London mugging Lord Justice Scarman said ...Appeal Court. "Colour is ...tely irrelevant in the con... ...of our criminal law, and ...vant in the consideration of ...articular case."

### ...fly . . .

...ary Kissinger, U.S. Secre... ...of State, yesterday began ...ays of talks in Moscow.

...Financial Times is to go on ...in the Soviet Union this ...Tass news agency said in ...v. Page 6

...Loch Ness Monster and ...will be protected by the ...rnment if necessary, Mr. ...n Ross, Scottish Secretary ...e Commons. Page 14

...rs throughout France, in... ...members of the Paris ...e on strike until Saturday ...test against laws which ...t their role in divorce ... Page 6

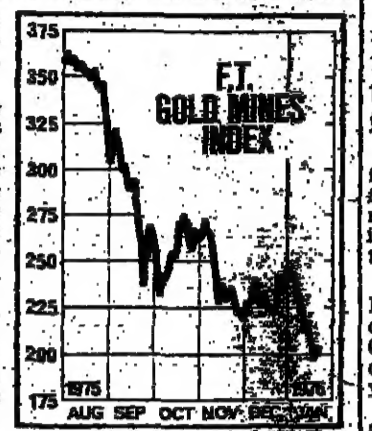
...ary Plumb has been unani... ...re-elected president of ...National Farmers Union ...onference. Page 35

...sor Sir Alexander Haddow, ...cer expert, died yesterday, ...s 69.

### BUSINESS

## Equities lose 7.8; gilts down

● EQUITIES declined. The FT 30-share index fell 7.8 to 388.4. By contrast the FT Gold Mines




index regained 7.9, to 2[illegible], after losing 47.5 over the previous nine trading days.

● GILTS were dull and closed with widespread losses ranging to [illegible]. The FT Government Securities index lost [illegible] to 62.50.

● GOLD gained $[illegible] to $[illegible].

● STERLING lost 70 points to $2.0240; its depreciation was unchanged at 30 per cent. The dollar's narrowed to 2.17 (2.50) per cent.

● WALL STREET [illegible] at 851.12 [illegible].

## National Freight granted £[illegible]m.

● NATIONAL FREIGHT [illegible] ...is to receive [illegible] in emergency grants from the Government and [illegible] review undertaken into ways [illegible] can eliminate its deficit. [illegible] Corporation is expected to report a record loss of about £30m. for 1975.

● INLAND REVENUE income tax receipts in the last financial year were up £3.6bn. at £14.24bn. due mainly to "fiscal drag." Only £280m. of the increase is attributed to budget changes. Page 11

● BP is raising $150m. in the U.S. through its subsidiary BP North American Finance Corporation.

● STEEL UNIONS meet management to-day over BSC's labour economy plan. Feature Page 20

● PRESIDENT FORD sent Congress his $394.2bn. budget for 1977 yesterday. It follows his State of the Union message closely. Back Page; Feature, Page 4. Governor Hugh Carey submitted a $10.76bn. budget for New York State incorporating proposed spending cuts of $600m. Page 4

● CITROEN turnover rose 35 per cent. in 1975, with exports up 8 per cent. in volume. There was a "very substantial cut" in operating losses, which reached almost Frs.1bn. (£110m.) in 1974. Page 24

● INDIA has arranged supplies of crude oil from Iran and Arab countries at concessionary rates. Page 5

### COMPANIES

● THORN ELECTRICAL Industries first-half pre-tax profit rose to £31.5m. (£28.1m.) Chairman reports continued progress in third quarter "despite the poor trading conditions." Page 23 and Lex

● UNION DISCOUNT of London pre-tax profit for 1975 fell to £3.068m. (£3.570m.). Directors recommend a final dividend of 10.16p, lifting the year's total to 17.16p (16.08p). Page 25 and Lex

● GEC has reduced its holding of ICL shares from 19.25 to 18.2 per cent., in pursuit of policy not to hold minimum stakes in companies not under its management control. Page 23

### ...F PRICE CHANGES YESTERDAY

...s in pence unless otherwise indicated)

**RISES**

| | | |
|---|---|---|
| ...r House | 122 | + 9 |
| ...s Withy | 199 | + 5 |
| ...ley-Hughes | 123 | + 6 |
| ...nville | 117 | + 6 |
| ...n | 168 | + 8 |
| ...ers Dfd. | 316 | + 4 |
| ...lena | £19 | + ½ |
| ...vaal | 540 | + 45 |

**FALLS**

| | | |
|---|---|---|
| ...ury 12½pc '92 | £93½ | − ½ |
| ...ury 13½pc '97 | £94½ | − ½ |
| ...Colloids | 107 | − 4 |
| ...Dist. Prods. | 28 | − 4 |
| ...P. Cement | 184 | − 11 |
| ...r McConnell | 150 | − 3 |
| ... | 181 | − 6 |
| ...er | 184 | − 6 |
| ... | 348 | − 7 |
| Courtaulds | 157 | − 4 |
| GEC | 151 | − 4 |
| GKN | 273 | − 6 |
| Hawker Siddeley | 384 | − 8 |
| ICI | 355 | − 5 |
| Land Secs. | 182 | − 5 |
| London & Prv. Poster | 96 | − 6 |
| London Brick | 58 | − 3 |
| Manbre and Garton | 136 | − 3 |
| Marley | 100 | − 3 |
| Matthews (B.) | 67 | − 5 |
| Rank Org. "A" | 170 | − 10 |
| Reed Intnl. | 273 | − 9 |
| Royal Insurance | 322 | − 8 |
| Staveley Inds. | 144 | − 5 |
| Waddington (J.) | 93 | − 4 |
| Weyburn Eng. | 495 | − 10 |
| Wilkins and Mitchell | 40 | − 6 |
| BP | 580 | − 5 |
| Shell | 332 | − 8 |
| Charter Cons. | 181 | − 9 |
| Cons. Rutile | 110 | − 10 |
| Gold Mines of Kalg. | 60 | − 10 |

# Italy in IMF talks to speed $530m. deal

BY ANTHONY ROBINSON, ROME, Jan. 21

**AS ITALIAN foreign exchange markets closed to-day, top Bank of Italy officials flew to Washington for talks with the IMF and the search started for means to bolster Italy's depleted reserves.**

The decision to close the foreign exchange market indefinitely was taken early this morning at an emergency meeting chaired by Sig. Aldo Moro, the Prime Minister.

Bank of Italy governor, Sig. Paulo Baffi, and other top officials explained that the Central Bank had spent $528m. during the first 20 days of this year to support the lira.

The pressures on the currency, sparked off by the uncertainties of the Government crisis, the possibility of a lengthy power vacuum in the event of early General Elections and the background prospect of further Communist Party gains, threaten to completely exhaust the Bank's reserves.

Indeed, an official statement said Italy only had $591m. of convertible currency left in addition to its gold reserves of $3.48bn. calculated at the official rate of $42.2 per ounce.

Apart from these remaining reserves, Italy has a $3bn. swap agreement with the Federal Reserve of New York, from which it has just drawn a first tranche of $250m., plus a $500m. swap with the Bundesbank and a similar $250m. swap with the Swiss National Bank, neither of which has yet been drawn on.

Italy has already drawn $1.2bn. under a stand-by arrangement from the IMF and its full $920m. quota from the oil facility. Now, Bank of Italy officials are in Washington to try and speed arrangements for Italy to draw 450m. Special Drawing Rights (approximately $530m.) under the terms of the recent Jamaica agreement.

Faced with a heavy debt repayment programme this year,

The first casualty of political crisis Page 6
Editorial comment Page 20

including $1.5bn. due to the Bundesbank this autumn, the Italian authorities have also been planning renewed borrowings on the Euro-dollar market.

The decision to close the exchange markets means that the Central Bank is no longer supporting the exchange rate from the reserves, so the official daily price-fixing no longer takes place.

Continued on Back Page

## Lira falls sharply

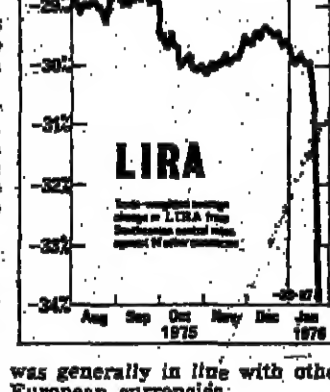
BY COLIN MILLHAM

THE ITALIAN lira fell sharply in London yesterday after the closure of the Italian foreign exchange market.

Trading was described as rather erratic, but there was no sign of panic in European centres.

The lira's trade-weighted depreciation fell by 3.25 per cent. on the day from 30.72 per cent. to 33.97 per cent. In terms of the U.S. dollar it closed at L709.50 compared with L688.80 previously.

An unofficial parallel market opened in Italy and the lira was initially quoted at L810-L815 against the dollar. Closing rates in Rome were in the region of L797.

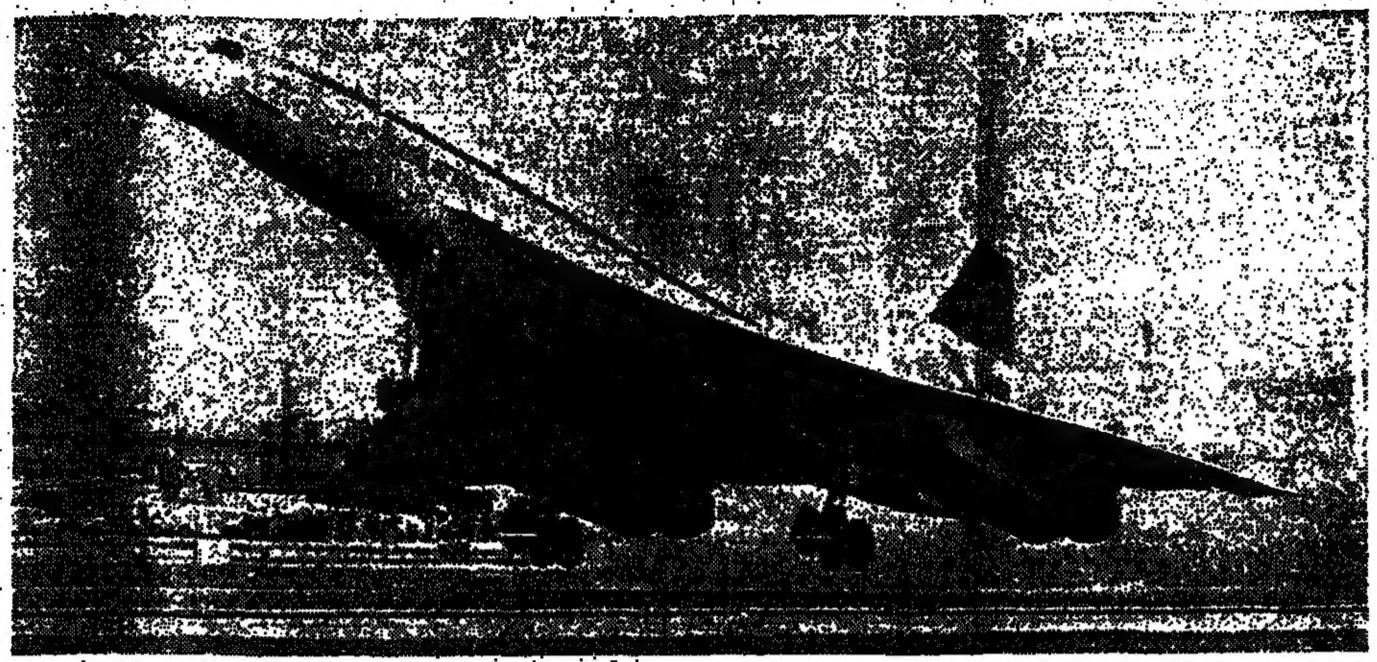



There was no evidence of assistance for sterling by the Bank of England yesterday, though the pound closed 70 points lower against the dollar at $2.0240. Its depreciation was unchanged at 30 per cent.

Its fall in terms of the dollar was generally in line with other European currencies.

The Banque de France was reported to have spent between $50m. and $100m. in support of the franc as the French currency eased from Frs.4.4842½ to Frs.4.5090 against the dollar.

## THREE HOURS, 38 MINUTES TO BAHRAIN . . .



Concorde takes off from Heathrow yesterday morning on the first fare-paying supersonic flight, to Bahrain. Michael Donne, who was aboard, reports that the trip was trouble-free and that the aircraft touched down 3 hours 38 minutes later—15 minutes ahead of schedule.

At the same time, the French Concorde set off from Charles de Gaulle airport for Rio de Janeiro. The Queen and President Giscard d'Estaing exchanged messages of congratulation.

Now the aircraft faces its biggest challenge—proving its economic and social acceptability. British Airways hopes first to extend the Bahrain route to Singapore and then to Melbourne, Hong Kong and Tokyo. A second Concorde is due for delivery by mid-February and a third by the spring. Full story, Back Page.

# Moslem forces over-run Christian south Lebanon

BY ROBERT GRAHAM IN DAMASCUS AND IHSAN HIJAZI IN BEIRUT

MOSLEM militia and Palestinian forces yesterday had overrun the greater part of the Lebanon, forcing an evacuation of Christians from their last besieged outposts in the south, by sea to the Maronite-controlled area in the centre of the country bringing the reality of partition nearer.

As Syria mounted a new diplomatic initiative to salvage something out of the situation, the town of Zhale in the Bekaa valley, with its mainly Christian population of 60,000, was under heavy pressure and believed to be on the verge of falling to forces of the Palestinian Moslem alliance which has been reinforced by some 5,000 Palestinians from Syria over the previous 48 hours.

South of Beirut on the coast, the small town of Saadiyat, where several thousand people from neighbouring Damour — which fell on Tuesday — had taken refuge, was beleaguered. First evacuees arrived by boat at Jounieh, north of the capital, which is in firmly held Christian territory.

The Christian flotilla was soon under fire from Moslem positions. Reports of casualties conflict wildly, but most speak of large numbers of civilians killed by advancing forces on both sides.

Mr. Camille Chamoun, the Minister of the Interior and leader of the National Liberals, one of the main Christian factions, said that 10,000 refugees were isolated there and appealed to the UN "for urgent intervention in order to save them."

In Damascus, a senior member of the resistance movement confirmed that elements of the Palestine Liberation Army were fighting in Lebanon. Abu Leila, second-in-command of the Popular Democratic Front, told the Financial Times that some 1,500 men from the PLA had entered the neighbouring country in the past few days.

In Beirut an Army spokesman said a column of 3,000 men had entered Lebanon yesterday and were believed to be members of the PLA's "Yarmouk" Brigade. This would bring to 5,000 the number of Palestinian invaders over the past few days, according to Lebanese military and right-wing Christian sources.

While Christians of the Phalangist militia battled to maintain their positions in the centre of Beirut, the largely Palestinian force in the east began grouping to advance on the Maronite stronghold in the event of failure by the Syrian mission led by Mr. Abdel Halim Khaddam, Foreign Minister.

Accompanied by Major-General Hikmat Chehabi, Chief of Staff and Air Vice-Marshall Naji Jamil, Commander of the Air Force, he disclosed that he was aiming at "final settlement."

Their visit coincided with the arrival of King Hussein for talks in Damascus with President Hafez Assad of Syrian. Although the monarch's visit was seen as part of the regular co-ordination between Amman and Damascus, the talks were expected to concentrate mainly on the Lebanese situation.

It was believed that King Hussein wanted to persuade President Assad to agree to hold a summit to contain the deteriorating situation which he fears will lead to a full-scale Middle East conflict involving Syria and other Arab states.

However, yesterday Lebanon turned down a proposal for a summit made by Mr. Mahmoud Riad, Arab League Secretary-General. Syria and the Palestine Liberation Organisation have repeatedly objected to widening mediation efforts in the Lebanese conflict.

Syria is pressing hard for Mr. Rashid Karami, the Lebanese Premier, who submitted his resignation verbally on Sunday night to reconsider his position. In Damascus he is seen as the only political figure who can bring about the holding ceasefire before Mr. Khaddam's final settlement is worked out.

President Assad has been supporting President Franjieh in his efforts to persuade Mr. Karami to stay in office. The Syrian Government believes that its "five point plan" remains the sole viable means of bringing an end to the conflict.

President Assad, however, is insisting that this time both parties agree in advance on the necessary political changes to be embodied in the programme. This point of view was also emphasised yesterday by Abu Leila who said, "A political solution must be endorsed first."

The Syrian plan is based on two key proposals—equal representation between the Christians and the Moslems in the Lebanese Parliament (as opposed to the present six-to-five ratio in favour of the former) and significantly increased authority for the Moslem Prime Minister.

Unless agreement can be reached in advance on these issues then another ceasefire will only serve as a breathing space for another round of fighting, according to diplomatic sources here.

The Government will take steps to evacuate the remaining 1,000 members of the British community in Lebanon if this proves necessary, Mr. Roy Hattersley, Foreign Office Minister of State, told the House of Commons yesterday. He added that in spite of heavy fighting in recent days there had been no reports of injuries to Britons.

Mr. Hattersley said that even if the airport remained closed there was a contingency plan which would enable the evacuation of Britons in time—"and we hope, in safety." He did not elaborate.

Other developments Page 5

**£ in New York**

| — | Jan. 20 | Previous |
|---|---|---|
| Spot | $2.0505-0519 | $2.0520-0530 |
| 1 month | 0.86-0.80 dis | 0.86-0.80 dis |
| 3 months | 2.50-2.45 dis | 2.49-2.43 dis |
| 12 months | 7.82-7.72 dis | 7.82-7.72 dis |

## Go-ahead for more home loans

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE GOVERNMENT has given the go-ahead for a 20 per cent. increase in building society mortgage lending during the current year.

The societies appear to have allayed fears among some Treasury officials and representatives of the Department of the Environment that a substantial boost in this year's home loan programme would lead to sharp increases in house prices.

Only last week, the building society movement revealed that during 1975 it lent out £4.96bn. to home buyers, an all-time record which compared with £2.95bn. the previous year.

Now a lending budget of about £6.1bn. has been provisionally fixed for the current 12 months, implying a monthly advance figure of around £510m. compared to the £400m. average recorded in 1975. In the last month of 1975, societies advanced £455m. and the peak was reached in October when £492m. was lent out.

When funds for home ownership from such alternative sources as local authorities, banks and insurance companies are also taken into account, an estimated £7bn. should this year find its way into the house buying market.

Discussions about the most acceptable level of mortgage lending for 1976 have been going on within the joint advisory committee set up in 1973 when building societies were forced to raise the mortgage rate on three occasions and pressure subsequently grew for the stabilisation of private housing finance.

**MORTGAGE ADVANCES BY BUILDING SOCIETIES**

| | £bn. |
|---|---|
| 1971 | 2.758 |
| 1972 | 3.649 |
| 1973 | 3.540 |
| 1974 | 2.912 |
| 1975 | 4.960 |

The committee comprises representatives of the Building Societies Association, the Treasury and the Department of the Environment. While it is has no authority whatever to control building society policies, it has in the last two years emerged as a valuable mechanism by which all interested parties can keep close surveillance on trends in the housing sector and, if necessary, discuss changes in broad strategy.

Members of the committee were last night anxious to emphasise that the £6.1bn. figure was not a definite commitment on the part of societies, rather a current estimate of the level of lending which could be achieved, but which should not have too marked an effect on prices.

The societies will certainly have few problems in meeting such a suggested target, with record volumes of liquid funds available for advances if the flow of new money drops away later in the year.

In the last year, house prices are thought to have risen on average by between 10 per cent. to 12 per cent., with the large stock of unsold homes acting as a major restraining factor. Most societies feel confident that the same gradual trend will continue for the next few months, although the second half of 1976 seems more uncertain.

If the current demand for mortgages continues, with the rate of transactions at an all-time high, then the fear is that the dwindling stock of homes for sale cannot be made up by the present rate of new housing output now being achieved. It is then that pressures on prices could begin.

So while there must be a risk that the step-up in lending now envisaged could push prices up substantially—many societies think this must happen if new building output is to be increased—any signs of a major house price spiral would almost certainly end in a cut-back in loans.



For latest Share Index 'phone 01-246 8026

# The search for a safe haven

BY C. GORDON TETHER

THERE could be no more telling pointer to the confusion that now prevails throughout the world on the not unimportant question of how one can most effectively safeguard such wealth as one still possesses as the unusual reluctance the international investment letter-writers are displaying to offer clear-cut advice. Some, indeed, have recently come near to saying that they will be serving their customers best by not pretending that they have any clear ideas about which direction it would now be most advisable for them to take.

One can begin to see the nature of their problem if one takes a look at the story of the 1975 performance of various types of assets which Dr. Pick, the American monetary chronicler, relates in the annual review of "What Was Best" included in the January issue of his World Currency Report.

Up to a few years ago, one could count, broadly speaking, on the search for protection against the constant erosion of the purchasing power of money finding expression in a more or less constant advance in the monetary worth of all assets which either possess intrinsic value or — as in the case of equity shares—are related to real things. This pattern began to disintegrate, however, when Stock markets turned sour in the earlier 1970s. And, by last year, highly erratic behaviour had become the order of the day.

## Not easy

For Stock markets, 1975 was a year of recovery after the severe mangling they suffered in 1974. British equities — with a gain of around 133 per cent.—actually came near to the top of Dr. Pick's best performers' list. And although not many other centres got anywhere emulating this achievement, quite a few recorded gains in the 30 to 40 per cent. range — which meant that equity investments in the countries concerned were recording their first gain in real terms for quite a time.

Except in so far as it can be said to indicate that the markets had come to recognise that, with inflation rampant they had behaved irrationally in marking prices down so far in the previous year, it is not easy to make much sense of this part of the 1975 story. And the same applies to that relating to what Dr. Pick calls "objects of the sophisticated collector's world."

Quite a number of items in this category are shown as having recorded increases in prices in 1975 which were relatively very much greater than the fall in the value of money. French impressionists, water-colours, race-horses, post-impressionists, oriental paintings, books and manuscripts, for example, are all said to have clocked up advances approaching, and even exceeding, 100 per cent. But gains under quite a number of other headings were not sufficient to maintain the real value of the assets. And in many other cases—including clocks and watches, violins and other stringed instruments, vintage motor cars, Old Masters, American furniture, snuffboxes and sculptures—substantial declines were recorded even in terms of money.

Industrial metals and minerals can be said to have been behaving with a greater general regard for logical considerations—the only advances were microscopic, while under most of the headings appreciable declines were recorded. For the global deterioration in the economic climate was clearly destined to find expression, as time went by, in a significant change for the worse in their supply-demand relationship.

## Their advice

However, the fact, in spite of its special monetary connection, gold suffered a bigger setback than almost any of them is not easy to explain away. For, in a year of massive inflation, that "special connection" should have operated as an antidote to the forces that were pulling other metals down.

So what happens next? It is so hard to draw meaningful morals from the eccentric performances of 1975 that it is hardly surprising that even the most renowned of the international investments experts are experiencing great difficulty in evolving scenarios for 1976 that they can feel reasonably sure will not leave them vulnerable to serious embarrassment before the year closes.

So what are they doing? They are—almost without exception—falling back on one of the great lessons of financial history that has never been disproved—that, in the longer run, there is nothing that can prove such a reliable way of protecting one's wealth against inflation and all the other ills to which it is now exposed as gold.

Equity prices have turned out to be a significantly better bet than gold during the past year. But, unlike gold, they are still valued, in real terms, far below what they were in the late-1960s. As the investment pundits regularly point out, nothing more needs to be said.

SALEROOM — BY ANTONY THORNCROFT

# Early camera fetches £3,200

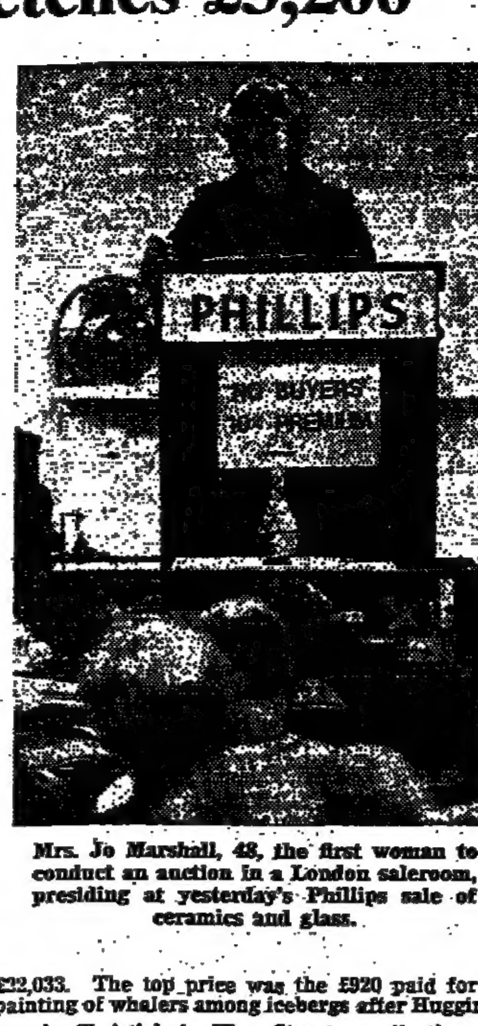
THE BIG SALE yesterday was at Christie's South Kensington rooms, where photographica and scientific instruments made £17,161. This is the highest total since Christie's moved this market to its subsidiary saleroom, which specialises in a quick turnover of goods — and no buyers' commission.

One feature of the sale was the £3,200 paid by Vintage Cameras for a Johnson pantoscopic camera of 1862, the forerunner of the panoramic camera.

Even more interesting was the £1,100 from Christopher Wood, the picture dealer, for the Bridgeman family album of about 170 photographs taken by Lady Lucy Bridgeman from 1855 onwards.

They form one of the best collections of Victorian domestic portraits and Lucy Bridgeman, who died young when her crinoline caught fire, is considered to rival Julia Cameron in her photographic skill.

Other high prices were £500 for an album of views of Lucknow from the time of the Indian Mutiny in 1857 and £440 for an album of carte-de-visite portraits of a house party in 1872 to honour Disraeli.



Mrs. Jo Marshall, 48, the first woman to conduct an auction in a London saleroom, presiding at yesterday's Phillips sale of ceramics and glass.

## 1847 daguerrotype

Christie's April sale will include the earliest camera offered at auction, a daguerrotype of 1842, and some Roger Fenton views of an 1857 cricket match.

Phillips made history yesterday when a woman auctioneer, Mrs. Jo Marshall, took the rostrum to conduct the glass section of a porcelain and glass sale. She used the gavel which has been in the saleroom since the 1790s and recorded a highest bid of £460 for a drop-knop goblet of a type which made £280 at Sotheby's in 1972. In the ceramics section of a sale totalling £19,789 a 19th century Meissen six-branch candelabra sold for £1,400.

Henry Spencer and Sons of Retford successfully sold 18th century furniture for £16,476. One interesting lot was a late 18th century mahogany breakfast table sent for sale by the Duke of Gloucester. It was bought by Ratcliffe for £620.

Elsewhere things were quiet. There was a routine picture sale at Sotheby's, which made £22,033. The top price was the £920 paid for a painting of whalers among icebergs after Huggins.

At Christie's in King Street a collection of early European art reference books totalled £7,503. The best price was the £320 from Quaritch for a copy of Giovanni Battista Armenini's Fe' Precetti della Pittura, published in Ravenna in 1587.

RACING — BY DOMINIC WIGAN

# Equine flu still a worry

THE RECENT outbreak of a virulent strain of equine flu in Newmarket appears far from over.

The strain—known as E2, but also referred to as Miami—affected about a dozen Newmarket stables by the end of last week.

Now, Mr. David Powell, the leading epidemiologist at the Equine Research Station, reports that several other establishments have become affected.

Mr. Powell said yesterday that the virus, which originated in the U.S. seemed to be confined to the Newmarket area.

E2 causes a high temperature for 24 or 48 hours, lack of appetite and general listlessness in most horses.

It has been seriously affecting several leading French stables. One or two English trainers who have planned spring raids in France are worried that if the outbreak becomes more serious they could end up with horses stranded there through travel restrictions.

Mr. Powell, who has been working closely with specialists employed by the French Jockey Club, feels, however, that a ban—or even restrictions—on travel is unlikely unless the situation becomes much worse.

To-day Lingfield, where extensive drainage work is in progress, stages its second meeting of the month.

The principal event at the popular Surrey course now owned by the Ladbroke group, is the Drawbridge Chase, in which I'm Smart will try to give upwards of 10 lb to his six opponents.

I believe it could pay backers to overlook the top weight, who has not run since making no show in the Round Oak Hurdle at Newbury in November and side instead with *British Smelter*, who might have beaten Nagari in Kempton's Feltham Chase last month if he had not blundered away his chance at the final fence.

*Bill Hobbs*, who ran respectably behind Wiener Chic at Cheltenham at the end of last month, faces much weaker opposition in the Keep Selling Hurdle and I expect him to have few problems.

**LINGFIELD**

1.30—Bill Hobbs***
2.00—British Smelter**
2.30—Golden Duckling
3.00—Ernie Wiltshire*
3.30—King Kong
4.00—Greyborne

# TV/Radio

† Indicates programme in black and white.

## BBC 1

9.41 a.m. For Schools, Colleges. 12.15 p.m. On the Move. 12.45 News. 1.00 Pebble Mill. 1.45 Trumpton. 2.00 You and Me. 2.15 For Schools, Colleges. 3.30 The 60, 70, 80 Show. 3.58 Regional News (except London). 4.00 Play School. 4.25 The Wombles. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.15 Charlie Brown (comedy cartoon). 5.40 Paddington.
5.45 News.
6.00 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.40 Happy Ever After.
8.10 When The Boat Comes In.
9.00 News.
9.25 The Good Old Days.
10.10 Omnibus.
11.00 To-night.
11.35 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m. Chigley. 5.15-5.40 Bilidowcar. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 11.35 News for Wales.

Scotland—9.41-10.01 a.m. For Schools in Scotland. 6.00-6.45 p.m. Reporting Scotland. 11.35 Scottish News Summary.

Northern Ireland—2.40-3.00 p.m. For Schools in Northern Ireland. 3.58-4.00 Northern Ireland News. 6.00-6.45 Scene Around Six. 11.35-11.55 The Sky at Night. 11.55 Northern Ireland News.

England—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

## BBC 2

11.00 a.m. Play School.
6.15 p.m. Open University.
7.05 Avventura.
7.29 Weather.
7.30 Newsday.
8.10 Worldwide.
†9.00 Midweek Cinema: "All The King's Men," starring Broderick Crawford.
10.45 Film Night.
11.10 Newsnight.
11.25 Closedown: Michael Hordern reads "Toads Revisited" by Philip Larkin.

## LONDON

9.30 a.m. Schools Programmes. 12.00 The Laughing Policeman. 12.10 p.m. Hickory House. 12.30 Perfect Pets. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 Justice. 3.55 General Hospital. 4.25 The New Land. 5.20 Indoor League Championship of Champions.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 The World at War.
8.00 This Week.
8.30 Love Thy Neighbour.
9.00 Clayhanger.
10.00 News.
10.30 Thursday Star Movie: "The Reckoning," starring Nicol Williamson.
12.30 a.m. Words of Wisdom.

All ITV Regions as London except at the following times:—

### ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Rumpus Room. 4.55 Spiderman. 5.20 The Geordie Scene. 6.00 About Anglia. 6.20 Arena. 7.00 Six Million Dollar Man. 10.30 Play Squash Jonah's Way. 11.00 Grift. 11.55 Living and Growing for Adults. 12.30 Week of Prayer for Christian Unity.

### ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.25 Feature Film: "At Sword's Point," starring Cornel Wilde and Maureen O'Hara. 6.00 ATV Today. 7.00 Space 1999. 10.30 McMillan and Wife. 11.55 Eric Delve.

### BORDER

†1.20 p.m. Border News. 2.00 Women Only. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 6.00 Border News and Lookaround. 7.00 The Six Million Dollar Man. 10.30 Mystery Movie: "Satan's Triangle" (TV Movie). †11.55 Border News Summary.

### CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 Children's Matinee: "Captain Sinbad." 6.00 Channel News. 6.10 The Adventures of the Seaspray. 7.00 Six Million Dollar Man. 10.30 Inner Space. 11.00 Chopper One. 11.25 News and Weather in French.

### GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Batman. 6.00 Grampian To-day. 7.00 The Six Million Dollar Man. 10.30 Sportscall. 11.10 Police Surgeon. 11.40 Evening Prayers.

### GRANADA

1.20 p.m. This is Your Right. 4.25 The Flintstones. 4.50 Survival. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. 6.30 Command Performance. 7.00 The Six Million Dollar Man. 10.30 Good Health. 11.00 Orson Welles Great Mysteries. 11.30 Kung Fu.

### HTV

10.35 a.m. Believe it or Not. 1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Daily Fable. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 The Best in the West. 7.05 Six Million Dollar Man. 10.30 Trash or Treasure. 11.00 The Protectors.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Bio yn y Byd . . . ? 4.50-5.20 King Kong. 6.01-6.18 Y Dydd. 6.35-7.05 Sports Arena.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sports West.

### SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Women Only. 4.25 Tarzan. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Larry Looks Lightly. 7.00 Space 1999. 10.30 Night Out. 11.00 Late Call. 11.05 Dilemma.

### SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.25 Tarzan. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 6.35 Survival. 7.00 The Six Million Dollar Man. †10.30 The Late Thursday Film: "My Gun is Quick." 12.05 a.m. Southern News Extra.

### TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 5.20 Tell Me Why. 6.00 Today at Six. 7.00 The Six Million Dollar Man. 10.30 The Streets of San Francisco. 11.35 Epilogue.

### ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 4.25 Born Free. 6.00 UTV Reports. 7.00 Six Million Dollar Man. 10.30 Let's Play Bridge. 11.00 What's It All About.

### WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 Children's Matinee: "Captain Sinbad." 6.00 Westward Diary. 7.00 Six Million Dollar Man. 10.30 Westward Report. 11.00 Chopper One. 11.30 Westward Late News. 11.35 West Country Job Finder. 11.40 Faith For Life.

### YORKSHIRE

1.20 p.m. Calendar News. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 6.00 Calendar. 7.00 The Six Million Dollar Man. 10.30 Emmerdale Farm. 11.25 A Matter for Concern.

## RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett, including the new Top 30 LPs, and at 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 Simon Bates. 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

## RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Pop Score. 7.30 Folk 76 (S). 8.02 Folkweave (S). 9.02 Wally Whyton's Country Club (S). 11.02 Sports Desk (1,500m only, also 202m Scotland, VHF joins Radio 1). 11.05 Don Durbridge with The Late Show (1,500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

## RADIO 3 — 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Dowland. 9.50 Bartok and his Contemporaries (S). 10.45 French Brass Music (S). 11.25 BBC Symphony Orchestra, part 1: Webern, Schoenberg (S). 11.55 In Short (talk by Peter Gell, horn). 12.00 Concert, part 2: Ravel (S). 1.00 p.m. News. 1.05 Manchester Midday Concert: Beethoven, Chopin, Schumann. 2.00 Debussy. 2.00 "La Rondine" opera in three acts, music by Puccini, Acts 1 and 2 (S). 3.05 Interval Reading. 3.10 "La Rondine" Act 3. 3.55 Clarinet, viola and piano recital, part 1: Schubert, Brahms (S). 4.35 Interval Reading. 4.45 Recital, part 2: Wellesz, Mozart. 5.25 Pied Piper (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (contd.). 6.30 Lifelines. The Wider World. 7.30 Smetana and Martinu (S). 8.10 Rewards that Came Too Late, by Dr. Derwent Mercer. 8.30 Teresa Berganza song recital, part 1: Carissimi, Scarlatti, Pergolesi, Rossini, Wolf (S). 9.10 Interval Reading. 9.20 Recital, part 2: Fauré, Granados, Montsalvatge. 10.05 What a Hysterical Girl, by Arthur Schnitzler. 10.15 Bliss Violin Concerto. 10.55 The Australian Poets. 11.15 Footlifters (S). 11.25-11.30 News.

## RADIO 4 — 434m, 330m, 285m and VHF

‡ Medium Wave only

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day including 6.50 VHF Regional News, 6.55 Weather, programme news. 7.00 News and more of To-day including 7.27 Sportsdesk. 7.35 To-day's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of To-day including 8.27 Sportsdesk and 8.35 To-day's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Those You Have Loved. ‡10.00 News. ‡10.05 From Our Own Correspondent. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 Mr. and Mrs. Parkinson. 11.50 James Herriot: the World's Favourite Vet. 12.00 News. 12.02 p.m. You and Yours. 12.27 My Music (S). ‡12.55 Weather and programme news. VHF (except London and S.E.) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (2 from 2.00) including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 3.45 Jack de Manio Precisely including 4.0-4.05 News. 4.35 Story Time. 5.00 P.M. Reports. 5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Just a Minute. 6.45 The Archers. 7.00 News Desk. 7.30 Any Answers? 8.00 Midweek Theatre. 8.45 Analysis. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book at Bedtime. 11.00 The Financial World To-night. 11.15 To-day in Parliament. 11.30 News.

For Schools (VHF only)—9.05 a.m.-12.00 and 2.00-3.00 p.m.

## BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Sound Out. 4.32 Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Getting Going. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

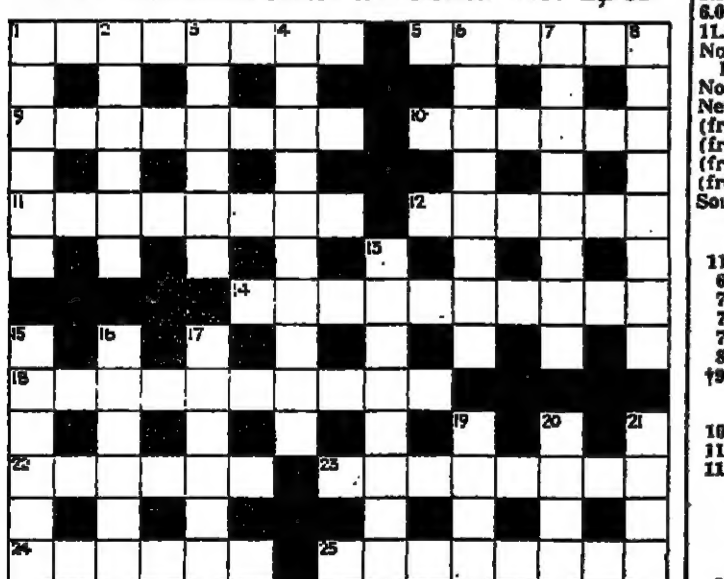
## London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M.": breakfast-time show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 3.00 Newsbreak. 7.30 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch: news every half-hour.

## Capital Radio — 194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Nicky Horne's rock show. 11.00 Tony Myatt. 2.00 a.m. Night Flight.

## F.T. CROSSWORD PUZZLE No. 2,985



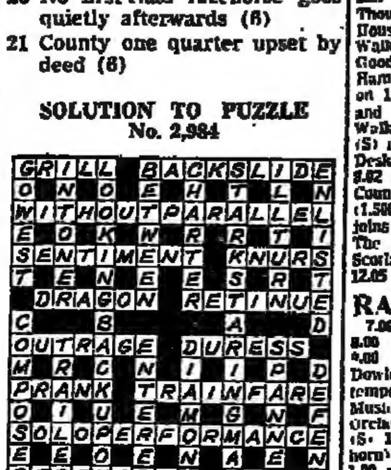
**ACROSS**

1 Throw away plane? It's feasible (8)
5 Like south-western member to be over-run (6)
9 Complete revolution cancelled (5, 3)
10 Poster announcing American novelist (6)
11 Soft number in Latin without remedy (8)
12 Cough demanding attention by author of Rope (6)
14 Stole when absent-minded (10)
18 Opportunity abroad for development (7, 3)
22 Way chief reveals stiffness (6)
23 Game after beer providing amusement (8)
24 Call-box user could help make a change (6)
25 Their son takes another way to pass in Lakeland (8)
26 Breadwinner reading Listener on North Eastern Railway (6)
27 Don't commit yourself to quarrel over trees by the way (8)

**DOWN**

1 Lawyer barely taking in religious instruction (6)
2 Sound faithful worker becomes an absentee (6)
3 Initiate one to northern tube (6)
4 Old-fashioned menswear a University captures (6, 4)
6 Advertising agent found mooning about (8)
7 Everybody ought to get on trail of doctor (8)
8 Soldier afloat gets notice in pickle (8)
13 Came out before institution hit where it hurts (6, 4)
15 Interpret Tories in accordance with facts (8)
16 Keeper giving fee to barrister (8)
17 Daughter is going to island to separate (8)
19 Tie up all racehorses in one stable (6)
20 No first-class racehorse goes quietly afterwards (6)
21 County one quarter upset by deed (6)

**SOLUTION TO PUZZLE No. 2,984**



# ENTERTAINMENT GUIDE

OPERA & BALLET — THEATRES

[illegible]

GARRICK. 01-836 4601. Evgs. 8.15. Mat. Wed. 3.00. Sat. 6.00 and 8.40. RICHARD BRIERS "Marvellous," Gdn. ABSENT FRIENDS. "ALAN AYCKBOURN'S FINEST FUNNIEST PLAY." H. Hobson, S. Times.

GLOBE. 01-437 1592. Evenings 7.30. Matinee Wed., Sat. 3.0. RSC—FOR 6 WEEKS ONLY. JUDI DENCH, IAN McKELLEN, ANNA CALDER-MARSHALL in TWO TRUE TO BE GOOD by Bernard Shaw.

RAYMOND REVUE BAR THEATRE. 734 1593 (7, 9, 11 p.m. inc. Sunday). PAUL RAYMOND presents THE FESTIVAL OF EROTICA '76.

REGENT. 323 2707. Evenings 8.30. Fri. and Sat. at 7.00 and 9.15. 2nd YEAR OF SENSATIONAL STAGE SHOW OF THE '70s. LET MY PEOPLE COME. AN ADULT MUSICAL. "Never a dull moment." Evening News. 100 tickets held for sale at door.

LEICESTER SQUARE THEATRE. THE RETURN OF THE [illegible] (U). Cont. progs. Mon.-F[illegible] 5.35, 8.10. Sat. 12.20, 3[illegible] Sun. 3.00, 5.35, 8.10. [illegible] be booked.

CINEMAS ARE CO[illegible] ON PAGE [illegible]

هكذا صار الأصل





# Henry V

by MICHAEL COVENEY

y Hands's Stratford-upon- production of last year to London with all banners proving yet again how well hauvinistic extravaganza in the theatre. The cast, ited and spring-heeled he outset, burst into life Chorus's summoning, an r of "silken dalliance" d by the billowing from ies of Farrah's huge, atic canopy. The French sinuously led by Clement in as the King and y Hutchings as the n, take the stage in more ed, almost lyrical, tread.

s never wild about this lar Harry, but there is ssing the vigour and ity of Alan Howard's nance. At Harfleur, lead- demoralised troops into each over an excitingly ramp, he is as much a of blood" as Coriolanus the Volscians; and, even han last year, I enjoyed l-blooded playing of the of Katharine which can n dribble away perfunc- t the end of the play.

Howard flexes his vocal s so wilfully that one feels his voice is being stereophonically projected from anywhere but his own lungs. And I think the performance would benefit from fewer histrionics in the quieter passages, such as the silly anonymous visit to the soldiers on the eve of Agincourt and the grateful realisation, when the dead have been counted, that God has indeed been on England's side.

The company is in buoyant form. There are energetic performances from Richard Moore as a shaggy, broadly farcical Pistol; from Peter Bourke as an unusually affecting Boy among the *Falstaffian stragglers;* and from Carolle Rousseau as a Katharine whose speed and believable French make something for once of the tuition scene. Emrys James is a genial host as the Chorus, so relaxed, in fact, that he can intrude on the blustery Fluellen's "astonishment" of Pistol with a quibble over the Welshman's pronunciation. Like the play itself, this shouldn't work. But it does, and it proves that Mr. Hands has successfully engineered a tone of production strong enough to survive it.

The two parts of *Henry IV* join the repertoire on January 29, and thereafter the three plays will be given in chronological rotation.

h

# The Hard Stool

by B. A. YOUNG

stool in the title of Tony th's interesting one-act s a penitential stool, for y is about the conflict of ith evil. When it begins, a priest sitting in a con- al box. He is a weak passing the moments waiting for his customers packet of cigarettes and e of cheap wine. This is int at which I must warn ome people are going to e play *offensive:* I can eg them to sit through it ly to the end, when they e what proper dramatic e slur on the priest and thy conversation of his is (for once) put to.

visitor is a tough young dorned in the uniform of 's Angel. His first act on g the church is to take a silver crucifix from the nd put it in his bag. He enters the confessional, heard a voice there, and a dialogue with the who offers him a cigarette drink. ("I'm afraid I t got another glass." 's all right, I've got one. The young man goes to ag and takes out a silver e.)

talk begins with a conven- attack on religion and de- of easy living. But the tone goes through a ndo of turbulence. "Life is violence, man!" he insists, and reveals his plan for an anti-religious gang devoted to [illegible] down established order. He becomes more unrestrained and at the same time less conventionally brutal. Odd phrases creep in. "Man aspires to the stars." "I am Aquilla, the eagle." I am Lupus, the wolf." It leads to total diabolic possession: "I am Ashtaroth!"

Roused from his habitual apathy, *the priest gropes in his* mind for the words of exorcism, stammers them over the other man as he lies writhing on the floor. The conclusion I found profoundly touching, as these two inadequate men are restored to as near as they can get to proper thinking. The case against sin is seldom so convincingly made in the fringe theatre of our day.

Terry Palmer plays the priest and Robert Walker the young, with Henry Woolf directing. You couldn't want it better done.

Before *The Hard Stool* there is an exhibition of [illegible] Punch and Judy work by [illegible] Milton. It was not for me, but it made the audience laugh quite a lot. Unfortunately they were still in laughing vein for Mr. Haygarth's play. Although this has a lot of good jokes in it, I would have been happier to have heard it a little more seriously received.

abeth Hall

# Aeolian Quartet

by MAX LOPPERT

is programme of relatively liar, 20th century pieces, olian String Quartet was esday rewarded with an onally small audience tted for once in this ium to gather in the *front* taking the chill off the here). The consequence, tely, was not dispirited : indeed, the perform- emerged with altogether punch and point than ften been communicated s musically perceptive, nes dry-toned group. In iar Emanuel Hurwitz's ion maintained an un- recision of focus through- recital.

insky's first important in quartet composition, ree Pieces (1914) and the ino (1920), are probably factory to play but greatly ble to hear. The degree ist-the-grain string writing ecessarily the same thing olinistic thinking), of con- working against the ex- ons and conventions of the n, is matched by the y "frozen" attitudes of terial. I followed the Con- *performance from* Stravinsky's 1952 re-scoring of the work for strings and wind — a revealing experience. Easy to understand why he should have wanted to open out such tight, gritty little nuggets of music; *hard not* to prefer the earlier toughness and compressed energy.

To justify their sponsorship by the Redcliffe Concerts of British Music, the Aeolians also played Tippett's early First Quartet, to whose most characteristic movement, the last, with its sprung rhythms, they brought razor keenness and sharp ensemble, if perhaps not quite enough lyrical expansiveness when the music magically flowers *pp sempre e dolce.* The late Matyas Seiber, an adopted but recently neglected Briton, was interestingly respresented by his Third Quartet (1948/51) subtitled *"Quartetto lirico."* Cogently shaped, touched with a lyrically delicate melancholy true to the sub-title, it was a graceful demonstration of Seiber's debt to Berg (of the *Lyric Suite*) and Bartok. Haydn's amazingly, at times disconcertingly, inventive E flat Quartet, Op. 76 No. 6, given with great verve, ended the evening.

Poly

# My Name is Rosa Luxemburg

ted from Marianne Auri- French original by Pam this hour-long lunchtime s a terse and enthralling biography of the famous t Marxist, charting her of imprisonment during ore the First World War the background of Euro- volutionary activity. And occasionally the formal dangerously on the e approach to anecdotal hy, Sue Todd's swift ion often pulls up briskly e the words of Rosa ber- burst passionately around e theatre.

words are compiled her letters written in prisons and speeches de- in a pre-War Germany *the internecine dialectical* between the different t parties threatened to all chances of just atisation on a large scale. r about the success of the strikes in Russia, the in Warsaw and the of life in a Berlin work- and also a fair amount about Rosa's relationship with a man whose one act of unfaithfulness led her to disown him as a companion, though not as a comrade.

The performances of Ann Mitchell as Rosa, Mary McCusker as the narrator, and Maggie Nicols as a singing commentator are full of fire and commitment; we are left in no doubt as to their admiration for a ferociously dedicated woman whose fight for *a revolution* sponsored by the working classes of the world cannot really be said to have died with her own grisly end and the obliteration of the insurgent Spartacists. The play is informative and moving: it will please those who already admire Rosa Luxemburg and interest *those* who know very little about her. The show, brusque and to the point, leaves room to suspect that a more overtly theatrical event could be fashioned from this same material—perhaps along the lines of a play like Trevor Griffiths' *Occupations.*

MICHAEL COVENEY

Trevor Humphries

Rock Hudson and Juliet Prowse in 'I Do! I Do!' which opened last night at the Phoenix Theatre

Record Review

# Shropshire Lad and Sun King

by RONALD CRICHTON

Bax: Symphony No. 7. LPO/Leppard. Lyrita SRCS 83. (£2.76).

Howells: Merry Eye. Elegy. Music for a Prince. NPO/Boult. Butterworth: Two *English Idylls. The Banks of* Green Willow. Rhapsody. A Shropshire Lad. LPO/Boult. Lyrita SRCS 69. (£2.76).

Berkeley: Symphony No. 1. Concerto for two pianos. Beckett, McDonald / LPO / Del Mar. Lyrita SRCS 80. (£2.76).

Lully- Alceste. Soloists/ Ensemble vocal Raphaël Passaquet / Grande Ecurie et Chambre du Roy/Malgoire. 3 records in box. CBS 79301. (£8.99).

Lyrita deserve gratitude and recognition for the systematic and intelligent way they fill in corners of 20th century English music, corners worth re-exploring whether or not they are likely to become fashionable again. Bax has his champions—I remember a time when he was my favourite living composer, just after 1934, when some other notable candidates left the *scene.* The Baxites *are perhaps* inclined to set too much store by the symphonies and too little by the less familiar tone-poems. Yet here is the Seventh Symphony coming up alive and kicking in an excellent performance by the LPO under Leppard, who allows the score a full, enjoyable richness of orchestral sound without letting the atmospherics get the upper band.

The Seventh was the last of the canon, a commission for the New York World Fair of 1939, first performed in Carnegie Hall under Boult. The first movement is both dreamy and storm-tossed, sea-music without hint of *human conflict (the same could* no doubt he said of *La Mer,* but there one is conscious of Debussy's ordering intelligence). Everything in Bax's orchestra is precisely "heard," but he was not selective enough about what he chose to hear. On the whole the short themes or figures are more striking than the long, lyrical tunes—the first theme of this symphony seems to come from the essence of the clarinets who play it. There are some vulgar, Hollywooden moments for the strings, but good outweighs bad. The slow movement, really a very slow 3/8 scherzo, is a charmer, *beautifully played.* The variations of the finale are followed by the customary Baxian epilogue.

The *Elegy* of Herbert Howells for viola, string quartet and string orchestra is an epigone work, unthinkable without the *Tallis* Fantasia of Vaughan Williams, yet valid as a passionate expression of admiration for a senior composer and of grief for a fellow-musician killed in the 1914 war. I can't, on the other hand, find the key to the other two works by Howells on this disc, thick-textured essays in a lighter style. George Butterworth (also killed in that war) was much more direct. His *Shropshire Lad* rhapsody has an intensity only rivalled among the abundance of Housman-inspired music by *On Wenlock Edge.* The same qualities of directness and intensity are present in *The Banks of Green Willow,* while the *Two English Idylls* have a Glinka-like sharpness rare (Holst excepted) in music based on English folk song. Boult, conducting the NPO in Howells and the LPO in Butterworth, brings loving care and conviction to music he understands better than anybody.

If Butterworth had lived he might, one feels, have developed in unexpected directions. His was a talent worthy of the disciplines of Lennox Berkeley's teacher, Nadia Boulanger. Berkeley's attractive, poised, neglected First Symphony (completed in 1940) comes in a welcome recording by the busy LPO under Norman Del Mar. Much is made by writers of this composer's Frenchness, but conductors sometimes need to be reminded of it. In this reading the first three movements are too softly defined—admittedly the Lento, reticent as well as hard-edged, is difficult to bring off. There is more fizz and sparkle to the delectable finale, whose 6/8 coda seemed at the time of the work's first performance to be an evasion but now sounds inevitable and right. The fill-up is the Concerto for Two Pianos of 1948—goodness knows why, *with an original, successful* lay-out and delightful material, it is not heard more often. Nice playing from pianists Garth Beckett and Boyd Macdonald, more brio from Mr. Del Mar than in the symphony.

A good deed of another kind is the CBS recording of Lully's *Alceste* (1673). 17th century opera has won a public again, but Lully was neither a universal *genius* like *Monteverdi nor* a clever Venetian like Cavalli, still able to charm across the centuries. He was an intensely professional, versatile composer, a remarkable if repellent character, an early milestone on the long road from opera's Florentine beginning to the present day. Florence, in fact, was the birthplace of this naturalised Frenchman — violinist, harpsichordist, dancer and actor as well as composer, who literally monopolised opera at the court of Louis XIV.

"No other Lyric Dramas in French or in any other language may be publicly performed without the written permission of the said Sieur Lully, under penalty of confiscation of all stages, machines, scenery, costumes and other accessories, plus a fine of 10,000 francs, one-third assignable to Ourselves, one third to the Public Hospital and the remaining third to the said Sieur Lully." The whole of the extraordinary document which gave Lully his power, led to the establishment of the Académie Royale de Musique et de Danse (the official title of the Paris Opéra), and to the expulsion of Molière, Lully's former collaborator, from the Palais-Royal, can be read in the leaflet with these records. The useful notes are by François Lesure, whose name is mis-spelt.

As the London Opera Centre's recent production showed, *Alceste* still holds up in the theatre even if the musical rewards are slender compared to Rameau's richer abundance—his melodic and harmonic range, his command of instrumental colour, were greater. Yet 60 years later, Rameau was still working on the lines laid down by his predecessor. The comic servants in *Alceste* are a link with Venetian opera, but the studied declamation (based on the correct speaking of verse in contemporary tragedy), the short airs, the choral and ballet divertissements, are essentially what we find, much elaborated, in Rameau. Some things in *Alceste,* like the battle and the scene of mourning go on too long, but the comic incidents remain fresh. The score is worth an effort from a modern listener. There is a kind of finality in Lully's plainness.

Chorus and orchestra do not have anything like the colourful opportunities provided by Rameau's *Les Indes galantes,* recorded earlier by Jean-Claude Malgoire with virtually the same team. The choral singing in *Alceste* is moderate, the playing lively but unpolished. The solo singing is interesting—Lully's smoother lines are no doubt less taxing than Rameau's. Felicity Palmer queens it in the title-role among an international cast. Of the two gifted high tenors, Bruce Brewer is more energetic but less sympathetic than John Elwes. Max von Egmond is delicate, the basses Marc Vento and François Loup are strong. Among the supporting sopranos (who take several roles between them) there is distinction marred on occasion by vulnerable intonation. Anne-Marie Rodde excels as the Zerbinetta-like servant, Céphise. There are useful contributions from Sonia Nigbogossian and from Renée Auphan, who sings sourly as Thétis but elsewhere displays a fine voice that may in time, given care and good advice, be capable of such roles as Ariadne and Pénélope, at the moment lacking for French interpreters.

Book Reviews appear on Page 31

# 'Elijah' for music therapy

Mendelssohn's *Elijah* will be performed in the Royal Albert Hall on Saturday, February 14 at 7.30 p.m. in aid of the Music Therapy Charity, which treats sub-normal and severely sub-normal children at the Goldie Leigh Hospital, Woolwich by means of musical therapy and also trains advanced music students in the necessary techniques.

Richard Hickox will conduct his own orchestra and a special choir including (among others) the Singers and Choristers of St. Margaret's Westminster and High Wycombe Parish Church. The soloists will be Sheila Armstrong, Oriel Sutherland, Robert Tear and, as the Prophet, Norman Bailey, making one of his infrequent appearances on the concert platform. Tickets from 50p to £6 on sale at the Albert Hall and usual agents.

Coliseum

# The Valkyrie

by DOMINIC GILL

At the second night of the English National Opera's second *Ring*-cycle, after an unsettled *Rhinegold* on Monday, some real *Ring*-magic, fitfully, but when it appeared, nonetheless impressively, was forged. Like Wagner's syntax, *The Ring* is infectious. Once rooted, the germ seems almost indestructible, and the appetite it creates almost insatiable. Even during the longueurs of the first act of *Valkyrie* — and there are longueurs which not even the most lively production is likely to hide—all the familiar currents of anticipation, tension and suspense (in Wagner's tongue the word might be Ring-arousal) began to flow.

The cast, except for a changed Wotan and Siegmund, remains the same as in the first cycle. The flowers that showered on Rita Hunter at her curtain-call were ever richly deserved: her Brünnhilde, uneven as it may be, is still the glory of this *Valkyrie,* growing in force and lyrical stature throughout the course of the last two Acts, bursting into bright, strong radiance, full-formed and full-voiced, in her final scene with Wotan. The chief God himself was again sung, as he had been the evening before, by Raimund Herincx with direct, honest authority, and at *the Farewell with* a strain of all-too-mortal anguish apt and very touching. Not an especially subtle Wotan this, but consistently clean and clear, a firm line that never rings false.

Jon Weaving's Siegmund, agreeable and forthright in the more intimate exchanges (though even then a shade diffident), lacked vocal weight and projection in the bigger singing, and seemed to have trouble knowing what to do with his hands when no positive gesture was called for. He made his first entrance, wounded and exhausted out of the forest, with surprising alacrity. Ann Howard's Fricka, a little constrained in *Rhinegold,* broke free at last with some fine, imperious flashes of fire in Act 2. Margaret Curphy was again a reliable Sieglinde, always so nearly, but never quite, achieving a crucial moment of ignition.

Koltai's sets, so much more comfortable a suspension of disbelief in *Valkyrie* than *Rhinegold,* served and looked well—though the pair suspensions hung aloft over Act 3 (are they worm-eaten cabbage-leaves, or perhaps parts of the Wright Brothers' aeroplane after a crash?) are still a marginal worry. The eight Valkyries, amazing super-Bunnies that they are in Koltai's costumes, pleaded splendidly with Wotan—how could a God resist the thighs flashing from under those slate grey tunics?—and everywhere made vigorous sense of their music.

Festival Hall

# Rozhdestvensky

by RONALD CRICHTON

From the very first bars of Stravinsky's *Pulcinella,* the first work in Tuesday's all-Russian concert, Gennadi Rozhdestvensky did something to the sound of the London Symphony Orchestra. The usual brilliance, an estimable quality sometimes applied rather indiscriminately to the music in hand gave way, in Stravinsky's irreverent treatment of a certain conventional attitude to the prettier byways of 18th century music to a vitality that went all through the tone. This vitality was raw and rasping in the right way, right not only to the poker-faced clowning but for the sturdy tunes—whatever one thinks of Pergolesi, he had a bag full of those.

The teeming knockabout life in the texture—rags and tatters of exposed writing in ungrateful parts of an instrument's range, shreds of solo double-bass like dead fish floating belly upwards in the harbour at Naples—communicated itself to the three singers, Jennifer Smith, Robin Leggate, Paul Hudson. All three sang out with the impudence commedia dell'arte needs if archness is to be avoided. Miss Smith started "Se tu m'ami" too politely but soon found the right manner. The complete work was given, *and removed itself utterly from* the suspicion induced by feeble or coy performances, that *Pulcinella* is one Stravinsky score that has gone flat.

After the interval, the neo-classical band expanded into a neo-barbaric horde for two big pieces of young Prokofiev. For the Piano Concerto No. 2, the conductor was joined by his wife, Victoria Postnikova, whose well-remembered, beautiful, swan's neck wrists proved strong enough to meet the Herculean demands of this concerto. Other Russian pianists can bring more cutting clarity, but they could not eclipse the warmth and poetry, the intensity Miss Postnikova brings to the mysterious, troubled, quieter moods. One unforgettable passage from orchestra and soloist was the short recapitulation in the first movement, after the giant piano cadenza which serves *as development.*

The colours in the concerto are dark, often abrasive. In the Scythian Suite made out of the ballet *Ala and Lolly* they are gorgeous. In under-rehearsed or inadequate performance they can seem crude and self-defeating. On Tuesday Rozhdestvensky, by knowing what he wanted and how to get it, forced one to rank the work on a higher plane. Childlike Prokofiev's barbaricism may be compared to the fundamental originality and infinitely greater sophistication of Stravinsky's *Rite of Spring,* but the Scythian Suite is not just splashing about with a child's paintbox. *There* is imagination as well as physical gusto in the music—in the long diminuendo of the "Adoration," in the "Night" movement, in the "Procession of the Sun" at the end.

The playing was magnificent, loud enough when required for the wildest *decibel-fiend,* also most sensitively graded. There was plenty of opportunity for the LSO brass to let rip, but there was no automatic blaring. Rozhdestvensky conducted the entire programme with about as much gesture as Boult would use for a Brahms symphony. He sailed through the Scythian Suite without a stick. Anybody who really cares for first-rate conducting and playing who misses his next LSO concert (January 29, Vaughan Williams, Debussy and Skryabin) must be mad.

# English National Opera gala

The Duke of Edinburgh will attend the gala performance to be given at the Coliseum on February 12 in aid of the English National Opera Benevolent Fund.

The programme will consist of scenes and arias from a variety *of operas ranging from The Damnation of Faust to The Gondoliers.* The singers will include Rita Hunter, Janet Baker and Norman Bailey and a score more. Six conductors will take part.

The fund exists to help former employees of the company, for whom no pension fund exists, and to help people who have *devoted their lives with little* financial reward to the foundation of what has become the English National Opera.

# WORLD TRADE NEWS

STEEL INDUSTRY

## EEC to protest over U.S. import curbs

BY DAVID CURRY

BRUSSELS, Jan. 21.

THE EUROPEAN Community will make strong but self-controlled protests to the U.S. Administration next week to persuade Washington to go against the recommendation of the International Trade Commission to impose import quotas on foreign special steels.

The form of the EEC approach has not yet been decided upon. When measures were threatened against cars and steel last year Brussels made a public issue of the problem but since then the Ford Administration has mollified the Commission somewhat by deciding against penalising imports of canned ham. In this light the Community may decide in favour of a quieter approach.

In any event Commission experts are still studying the text of the recommendation and point out that President Ford has 60 days in which to make up his mind whether to follow it or not. The Commission will consult member States and steel producers before formulating its protest.

The lines of this protest are not difficult to trace. It will remind the U.S. of its GATT commitments and of its renewal of the trade pledge to avoid protectionist measures. It will also point out that the EEC has resisted pressure to protect its own steel industry which has been worse hit by the recession than the American one.

It regards U.K. import controls as too tiny to make much of a dent in its argument but remains fearful that U.S. action to protect special steels could unleash a new wave of protectionist pressure from U.S. industry.

## 'Real upturn' in demand expected later this year

BY DAVID CURRY

BRUSSELS, Jan. 21.

STEEL OUTPUT should start to recover immediately in the U.S. and Japan and the improvement in the industry should become worldwide in the second half of the year. This is the forecast of the International Iron and Steel Institute which estimates that apparent consumption (including restocking) should reach some 470m. tonnes this year a 10 per cent. increase over 1975. Last year production in the non-Communist world declined by 14.2 per cent. to 424.5m. tonnes.

However the Institute secretary-general, Mr. Charles Baker, emphasised that the recovery would be "very slow and hesitant" in the first half of the year but he was confident enough of a "real upturn" over the latter part of 1976 to proclaim "he present down cycle is now at an end."

While the U.S. would lead the recovery, Europe would lag somewhat with Germany and the Benelux countries probably being the earliest to emerge from the recession he forecast.

The Institute's figures show that European and American producers bore the brunt of the recession with output in the original six EEC countries down 20.9 per cent. to 104.81m. tonnes and U.S. production down 19.7 per cent. at 105.97m. tonnes. Japan fared better with output of 102.21m. tonnes representing only a 12.7 per cent. decline, while the abysmal year experienced by British manufacturers in 1974 at least served to hold their 1975 decline to 11.5 per cent. at 19.83m. tonnes.

Leaning quite strongly to the side of optimism, Mr. Baker suggested that the success of the industry in weathering "the most difficult period since the great depression of the '30s meant that they would be unlikely to face a depression of similar dimensions for years ahead. "A depression of this depth hits only once every 50 years," he commented.

The troubled fortunes of the industry hit investment plans seriously. An Institute survey in 1974 suggested that some 250m. tonnes of new capacity would be installed between then and the end of the decade. This figure would probably have to be reduced now to some 215m. tonnes Mr. Baker said because of the stretching out of projects primarily affecting the developing world.

While the situation in the Western world was almost uniformly bad, the global decline in production over the year was only 8.2 per cent. to 651.8m. tonnes. A 4.3 per cent. increase in Soviet production to 142m. tonnes—easily the world's leader—and an 11.1 per cent. Chinese upturn to 30m. tonnes helped to retrieve the situation. Between them Comecon, China and North Korea turned out 5.6 per cent. more steel at 227.4m. tonnes.

Within the European Community Belgium was the worst sufferer with a 28.6 per cent. fall in output to 11.582m. tonnes. This week its leading steel company, Cockerill, announced a further series of lay-offs and it recently sold its stake in the coastal steelmaker Sidmar for B.Frs.3.13bn. (nearly £40m.) to Arbed, of Luxembourg, to raise cash. Between them Belgian steelmakers have asked for or received, some £80m. financing recently. Germany suffered a 24 per cent. fall to 40.418m., while France was 20.4 per cent. worse off at 21.52m. tonnes and Italy had a relatively modest 8.2 per cent. in decline at 21.85m. tonnes.

Of other significant producers Spain, with which the EEC is trying to negotiate export restraint in the face of persistent accusations of Spanish dumping of steel, kept the decline to 3.5 per cent. by turning out some 11.09m. tonnes. Brazil was some 11.5 per cent. to the good with 8.38m. tonnes. India recovered to 7.99m. tonnes—a 13.1 per cent. upturn—while South Africa out-performed everybody else in the field by pushing output up by 17.2 per cent. to 6.84m. tonnes.

WORLD STEEL OUTPUT
m. tonnes

| | 1975 | 1974 | % change |
|---|---|---|---|
| Belgium | 11.582 | 16.227 | −28.6 |
| Germany | 40.418 | 53.232 | −24.0 |
| France | 21.520 | 27.021 | −20.4 |
| Italy | 21.852 | 23.804 | − 8.2 |
| Luxembourg | 4.624 | 6.447 | −28.3 |
| Netherlands | 4.819 | 5.837 | −17.4 |
| Denmark | 0.557 | 0.535 | + 3.9 |
| U.K. | 19.833 | 22.404 | −11.5 |
| Total EEC | 125.205 | 155.508 | −19.5 |
| U.S. | 105.972 | 131.992 | −19.7 |
| Japan | 102.210 | 117.131 | −12.7 |
| Spain | 11.095 | 11.502 | − 3.5 |
| Canada | 13.015 | 13.606 | − 4.3 |
| Soviet Union | 142.0 | 136.2 | + 4.3 |
| Comecon excluding Soviet Union | 53.6 | 48.9 | + 9.6 |
| China | 36.0 | 27.0 | +11.1 |
| Others | 62.80 | 168.06 | −62.64 |
| Total | 651.8 | 799.9 | − 8.2 |

## Industry must work together to win exports

BRITISH INDUSTRY should make the most of the upturn in the world economy now in prospect, Mr. Eric Deakins, Parliamentary Under-Secretary for Trade, told an export conference in Southampton.

"What we cannot afford is the misplaced belief that the world recovery will be some sort of automatic remedy for Britain," he said. Britain would benefit "only to the degree that we ourselves act to maintain and improve our export competitiveness," he added.

Mr. Deakins said both sides of industry should work together to make better use of industrial capacity and conditions were ripe for new investments. It would be foolish to ignore overseas criticism of poor communications, lack of research and failure to visit markets regularly or build up personal contacts, he told delegates. "The fact is that in an increasingly competitive world failure in these respects can be just as damaging as a failure on pricing or delivery."

## Brown Boveri Hungarian deal

By John Wicks

ZURICH, Jan. 21.

THE SWISS-based engineering concern BBC Brown Boveri has signed an outline agreement with the Hungarian office for technical development, covering co-operation in the fields of "generation, distribution and utilisation of electricity."

Export Finance

## £15m. for Philippines sugar plant

Financial Times Reporter

THE Export Credits Guarantee Department has guaranteed a loan of £15.3m. to help finance a contract for an £18m. sugar factory which is to be built for Northern Cotabato Sugar Industries in the Philippines. Finance for the loan has been arranged by Dashwood Finance of London and made available by Midland Bank. The contract was secured by Dashwood Finance for Fletcher and Stewart which will be responsible for designing and constructing the factory as reported on Wednesday.

★

The Export Credits Guarantee Department has guaranteed a £4.9m. loan which Williams and Glyn's Bank have made available to Loffland and Mid-Continent Supply of the U.S. The loan will help finance three contracts placed in the U.K. by Loffland Brothers for capital equipment and associated services which are to be incorporated in three deck packages for mounting on offshore drilling rigs. The mountings will be leased to companies operating in the Norwegian sector of the North Sea. The contracts are with The Cleveland Bridge and Engineering of Darlington, Halliburton Manufacturing and Services of London and Anixter U.K. Delivery of all material is scheduled for completion by the end of this year.

## Japanese producers seek cutbacks in coal imports

BY PETER DUMINY

TOKYO, Jan. 21.

JAPAN'S STEELMAKERS are hoping to negotiate both reduced imports of coking coal in 1976-77 and lower average prices, according to industry sources in Tokyo. The pattern will in all probability be set by industry leader Nippon Steel and leading U.S. coal-owners, annual contracts between which normally set a standard for all qualities of coal from all sources.

Reductions would mark the inauguration of a phase of passing on part of the burden of the present steel industry recession to raw material suppliers. The major steel mills are currently operating unprofitably at about 70 per cent. of optimum capacity.

Nippon Steel is letting it be known that it wants 30 per cent. less coking coal from Consolidation Coal and other U.S. suppliers in 1976-77 and a $50 to $65 a ton cut in the prices of high grade shipments from these sources. Theoretically the steelmakers all have independent contracts with their suppliers, but in practice Nippon Steel invariably gives the lead and the U.S. negotiations are closely watched by the Australians, Canadians and others who supply the balance of Japan's annual imports of around 62m. tons.

In the first half of 1975-76 coal imports from all sources were virtually maintained at an annual rate of 63.6m. tons, and the trade figures showed a 24 per cent. to $3.4bn. (annual rate) increase in suppliers' revenue. The U.S. normally delivers about 40 per cent. of imports and collects anything up to 60 per cent. of the revenue (57 per cent. in 1974), due to the superior quality of its product.

It is early days to speculate on the outcome of the current negotiations, since the U.S. collieries have asked for a price increase and are bound to see Nippon Steel's proposals as a bargaining position from which the Japanese can be expected to retreat. However the Japanese claim they have another card up their sleeve, namely recently developed technology to upgrade poorer qualities of coal for coking purposes. This would enable them to dispense almost entirely with U.S. supplies next year if U.S. prices are not right, they say.

The new Australian Government has yet to indicate how that country's supply contracts will be negotiated this year. Last year the Australian industry was represented by the then Minister of Minerals and Energy, but private sector negotiators may well reappear under the new administration.



## Guide to Soviet market

BY DAVID LASCELLES

FOLLOWING a year in which Britain's trade contacts with the Soviet Union have shown their best trends for some time, the London Chamber of Commerce and Industry has published a guide* for businessmen interested in this promising but daunting market.

Chapters describe the Soviet economic system, the weaknesses and strengths of the economy, the foreign trade and finance mechanisms, and problems of marketing in the USSR. There are also appendices listing Soviet ministries and trade organisations as well as the basic inter-governmental documents governing Anglo-Soviet trade.

The guide notes that trade prospects in the Tenth Five Year Plan 1967-80 are promising for businesses willing to enter into cooperation with the Russians rather than just buy and sell goods. The Russians also prefer to deal with multinationals because of the size of their demands.

The guide was published too soon for full details of the new Plan to be included, but its compiler, Kurt Weisskopf has drawn all his basic information from original sources and made competent projections.

* *Trading with the U.S.S.R. £5 54pp. Available from LCCI, 69, Cannon Street, London EC4N 5AB.*

## Indo-French prospects

BY K. K. SHARMA

NEW DELHI, Jan. 21.

INDIA AND France are expected to sign a new protocol to enlarge the scope of industrial collaboration between them when the French Prime Minister M. Jacques Chirac arrives here this week.

M. Chirac and Indian leaders will also discuss joint ventures in third countries as well as steps aimed at diversifying and enlarging the scope of Indo-French bilateral trade.

At present industrial collaboration between India and France covers about 200 projects. Indo-French trade has spurted in the last five years from a turnover of Rupees 520m. in 1970 to Rupees 4bn. in 1975.

The French trade minister M. Norbert Segard held extensive talks last month here with Indian Ministers of Finance, Industry, Commerce and Petroleum. He also met the heads of public sector undertakings to explore prospects of further co-operation between the two countries. Since then detailed staff work has been done so that proposals can be finalised during M. Chirac's visit.

He will visit India from January 23 for four days as a guest of Mrs. Indira Gandhi. The team accompanying him will include heads of various economic departments of the French government.

# AMERICAN NEWS

NEW YORK STATE BUDGET

## Carey proposes heavy cut

BY JAY PALMER

NEW YORK,

GAMBLING that the year-long New York City fiscal crisis will have effectively prepared the State legislature to accept the need for austerity, New York State Governor Hugh Carey last night submitted a $10.76bn. budget for the coming State fiscal year.

Repeatedly emphasising the urgent need to put the State's fiscal affairs "in touch with reality," Mr. Carey proposed a series of deep spending cuts totalling nearly $600m. and virtually no new taxes beyond those enacted under emergency legislation last month.

Mr. Carey's plan calls for $371m. to be cut from State local assistance programmes with by far the biggest reductions coming out of welfare and education payments. The remaining $225m. of savings will be eliminated from State operations.

In addition to all these cuts, the Governor announced that State personnel would be reduced by about 10 per cent., about $100m. cut from State aid to New York City and such expenditure anomalies as the State's office in New Delhi, India, would be closed.

Although the Governor deliberately stopped short of proposing new taxes, he did announce a series of non-recurring, year-long, revenue-raising measures. Such "gimmicky" schemes, he said, were justified because they were designed to cover such one-off expenditures as covering the carry-over budget from 1975.

Anticipating to-day's immediate criticisms, Mr. Carey insisted that his planned spending cuts were essential to restore the State's financial integrity. He stressed that without such cuts and an overall balanced budget, the State would be unable to raise the planned $600m.-worth of debt borrowings scheduled for this spring.

Despite the Governor's drastic cuts, his new budget still represents a 1 per cent. spending growth over the $10.66bn. budget for this year, because of the sharply rising costs of both debt servicing and pensions. Even so, budgets over the past few years have historically shown an annual growth of nearer 18 per cent.

Of the planned economies, only the $371m. out of local aid programmes re… approval of the Sta… ture since the … $223m. out of State … can be cut unilater… pite this, it is genera… that the package a… will form part of th… ing base between … nor and the legisla… the next few weeks…

The Governor's … already evoking b… cism both at the … (where 59 of mor… agencies have had th… priations reduced)… districts. While … City officials insisted … grant cuts will … city's own rescue … State Senators wer… ing that savings … other than in edu… welfare.

THE U.S. BUDGET

## Mr. Ford's growth path

BY JUREK MARTIN, U.S. EDITOR

PRESIDENT Ford departed from custom on Tuesday morning. When the American budget is presented to the Press a day in advance of publication, the President normally turns up, says a few words and leaves, handing over the briefing to his Treasury Secretary and Budget Director. But on Tuesday, with his full Cabinet, the heads of the major regulatory agencies and hosts of advisers arrayed in serried ranks alongside him, Mr. Ford conducted all the 90-minute session himself, turning only occasionally for the odd fact and figure to members of his government. The word beforehand had been that the President was taking the budget very seriously indeed. This, his aides said, was the ultimate proof of his commitment.

In fact, Mr. Ford had spelled out both his philosophy and all the key parts of the budget in his State of the Union message the previous evening. In his separate message to Congress accompanying the budget, he repeated his basic thesis in these words: "The Budget I am proposing for fiscal year 1977 and the direction I seek for the future meet the test of responsible fiscal policy. The combination of tax and spending changes I propose will set us on a course that not only leads to a balanced budget within three years, but also improves the prospects for the economy to stay on a *growth path that we can sustain*. This is not a policy of the quick fix: it does not hold out the hollow promise that we can wipe out inflation and unemployment overnight. Instead it is an honest, realistic policy—a policy that says we can steadily reduce inflation and unemployment if we maintain a prudent, balanced approach. This policy has begun to prove itself in recent months. . . . It will prove itself decisively if we stick to it."

The broad parameters are already known and are as follows: in fiscal 1977, which starts next October, budget spending of $394.2bn., receipts of $351bn., deficit $43.2bn. This represents a 5.5 per cent. increase in spending over the estimates for the current fiscal year, when the deficit is reckoned to turn out at between $70-75bn., but is $29bn. less than it would have been if budgetary economies had not been applied. At the same time the President has proposed a further $10bn. in tax cuts, to go with the $18bn. at an annual rate currently in effect. In all the 1977 fiscal year deficit, combined with other factors, will mean that the Federal debt will rise from $484bn. at the end of this year to $558bn. by the end of 1977.

Split up, federal spending in fiscal 1977 should go as follows: 40 per cent. in social benefits of one form or another; 26 per cent. on defence; 15 per cent. in grants in states and localities; 11 per cent. on other Federal operations and 8 per cent. on interest charges. It is the increase in the first category that most concerns this Administration—noting in budget documents that the share of the budget demanded by health and income security outlays has risen from under 25 per cent. in 1968, to 40 per cent. now and an estimated 45 per cent. by 1981. the Administration says: "The budget cannot accommodate the same rates of growth in the future and maintain an adequate level of defence and other federal activities." Late it says with a coolness which will frighten many liberal Americans that since U.S. citizens are legally entitled to social benefits "the degree on uncontrollability in the budget has obvious fiscal implications. Without changes in legislation, attempts to control total budget outlays fall on an increasingly smaller proportion of the budget."

This may be sound economics but it is equally politically explosive, particularly in an election year. Perhaps the full implications of this part of the budget message will take time to sink in, but the practical remedies Mr. Ford has proposed for the next fiscal year are bound to attract immediate attention. These include: an increase in social security taxation, plus reforms that would slow the rise in benefits and eliminate the payment of double compensation for cost-of-living increases to some social security recipients; replacing 59 separate Federal social programmes with four categories of block grants handed over to the states; the scotching of hopes for a national health service, substituting instead a medical costs insurance programme for elderly people with serious illnesses that would, in reality, cost the Government very little; inside the budgets of many of the departments of government are reductions in assorted social programmes which, while not individually of national significance, suggest a pattern.

**The Democrats who in Congress are known to feel that Mr. Ford has not done enough on the jobs front and are certain to tinker with his proposals.**

At the same time, defence spending is to go up—from $92.8bn. this year to $101.1bn. in fiscal 1977. According to Mr. Ford, none of the programmes recommended by the now departed Secretary of Defence, Dr. Schlesinger, have been scrapped. According to the Administration, defence's share of the budgetary pie (26 per cent.) is well below the standards of the 'fifties and 'sixties, which, of course, is true, but it envisages defence claiming a larger slice in the future, rising to 28 per cent. by 1981.

Looking more precisely into the mid-term future, the budget says quite baldly: "Research and development for the strategic forces will continue on the Trident missile and submarine, the B-1 strategic bomber, cruise missiles, a new intercontinental ballistic missile for deployment in the mid-1980s, an on improving ballistic missile warhead accuracy. "There is, therefore, in the budget itself no hint that the U.S., at least under President Ford, is thinking of a more limited defence posture in the future. That in itself is certain to cause controversy as the Congress inspects the budget.

The remainder of the budget contains a myriad of details of projected spending on domestic programmes, the vast majority of which are of pure… interest. Very ro… losers include the … of Agriculture, with … in farm income … payments, though th… tration has also … changes in the esta… designed to assist fa… the Veterans Adm… which takes care of … education and child… training and emplo… vices and comm… programmes (though … reduction in Federal … be replaced, if Congr… with block grants fo… ment by the states).

On foreign aid, th… tration has probably … much as it could … expected to: foreign … and financial assis… budgeted at $4.7bn., sin… current year's outla… the budget says th… military assistance (… not include the CIA… $739m., 29 per cent. … in fiscal 1976.

Inevitably, perhaps … est gains in expendit… ing even that of defe… areas where the Fede… ment's control is, at b… It is estimated that d… in 1977 will go up … while disbursements … various federal tr… which have their o… momentum, will … $511.4bn.

Finally there are … proposals that Mr. Fo… on Monday night in … the Union Message … improve the employ… ate, all of which refle… cautious approach. … down his ground rul… Congress now has it… cedures for scrutin… budget, due to take … the 1977 fiscal year. … they work, should … much greater order … used to be an erratic … on Capitol Hill. The … who run Congress are … feel that Mr. Ford ha… enough on the jobs fr… certain to tinker wit… posals. The chances, … of the Ford budget em… scathed are negligibl… battle royal in the pro… be worth watching.

## Living cost figures show decline in inflation rate

BY DAVID BELL

WASHINGTON, Jan. 21.

THE COST of living in the United States rose last month by only 0.5 per cent. on a seasonally adjusted basis, an improvement on the previous two months and further evidence that the rate of inflation is continuing to fall.

On an annual basis, last month's rise in the consumer price index works out at a 6 per cent. inflation rate, although the Labour Department, which issued the figures to-day, cautioned against relying on one month's figures when assessing the trend of inflation. Its preferred indicator — the average of the rate over the past three months —suggests that inflation is now running at an annual rate of 7.6 per cent., comfortably below the 12.4 per cent. rise during 1974. For the whole of 1975, the Department calculated that inflation was some 7 per cent.

Separate figures issued to-day show that the average worker's weekly earnings and hours rose slightly faster than consumer prices during 1975, but with help from the federal tax cut real earnings increased by 3.8 per cent. during the year. Last month real earnings were unchanged from the month before, although gross average weekly earnings increased very marginally faster than consumer prices.

December's increase in prices was largely the result of a rise in the price of many varieties of food and a jump in the cost of consumer services. Food prices are not expected to rise very much in the next few months and that component of the index should therefore be fairly stable in the next few months. A decline in the price of pork and of used cars partly offset the rise, but hospital bills, airline fares, property taxes and new car prices all rose during the month.

## No Venezuelan mixed capital oil companies

By Joseph Mann

CARACAS, Jan. 21.

ONE OF Venezuela's top petroleum policymakers, Mines Minister Valentin Hernandez, said yesterday that the country "is not ready" to form mixed capital companies with international oil companies.

The Mines Minister, who presides over Venezuela's recently nationalised oil industry, added that the Government had held talks with Exxon and Royal Dutch Shell about the possibility of Venezuelan shareholding in the refineries owned by these companies in Aruba and Curacao, off Venezuela's Caribbean coast. The notion was discarded, he said, because the matter would have required the formation of mixed companies.

Sr. Hernandez also said that the multinational oil companies are now purchasing just over 1.5m. barrels of crude and refined products from Venezuela's State-owned industry. Most of these purchases are being made by Exxon and Shell, the two largest concerns with holdings in the oil industry here before

## More Peron changes soon

Argentine President Maria Estela Peron, who dropped four of her Ministers last week, will announce fresh Cabinet changes soon, a ruling Peronist Party spokesman said in Buenos Aires yesterday.

Sr. Jose Baez, second Vice-President of the Justicialist (Peronist) movement, also told reporters that a campaign launched last week to promote Sra. Peron as a candidate for this year's Presidential elections was not authorised by the party.

Observers said that this did not mean that Sra. Peron would not run, adding that the Party was probably waiting for a good moment to launch an official campaign. Sra. Peron decided to call elections next October instead of early in 1977 following mounting criticism of her administration.

### Grain shipments

TWO U.S. Senators yesterday asked Secretary of Agriculture Earl Butz to submit a full report to Congress about a recent shipment to Poland of corn said to contain foreign material—rocks and sea shells. In a statement, Senators Hubert Humphrey and Dick Clark said that since the corn was contracted for at a much higher quality and supposedly inspected before loading. "It would further appear that deliberate circumvention of the U.S. grain standards may also be involved."

### Nixon tax move

The Internal Revenue Service (IRS) is investigating whether former President Richard Nixon might owe more than $222,000 in unpaid taxes and penalties for civil tax fraud, the Washington Post said yesterday. The IRS concluded in March, 1974, that it had insufficient evidence to charge Mr. Nixon with civil fraud for tax deduction he claimed from the donation of documents to the national archives in 1970. But the Washington Post, quoting informed sources, said that the tax agency "now believes it can show that the former President had knowledge of a backdated deed claiming an illegal deduction for the gift of papers to the Government."

### Kissinger sued

A taxi driver in San Francisco has filed a suit charging Secretary of State Henry Kissinger with treason. Mr. Lawrence Bertles (33) alleges that Dr. Kissinger was "working for the other side" because of his handling of the strategic arms limitation talks (SALT) in Moscow. No date has been set for a hearing in the U.S. District Court.

## Canadia… inflation board challeng…

By Victor Mackie

OTTAWA,

A NEW Brunswick … paper company has … the effectiveness of … Inflation Board by … employees for the p… according to a new … rejected by the Board … sive. Some 475 emp… Irving Pulp and Pape… John are being paid … two-year contract tha… wage increases of 23.8 … in the first year.

The contract, which … active to May 1, 1975, w… in late November … rejected by the B… December 17 on the gr… employees were entitle… 14 per cent.

The situation is ex… provide the Board wit… enforcement test. Boa… man Jean Luc Pepin … ledged to-day that the … has been ignoring the r… said that "something" … happen." A spokesma… Board said that the In… is under "active study.…

Already the situat… called into question w… Government and industr… say may be a "gra… between obligations o… contracts and the pov… lined in the Anti-Inflatio…

● Excessive Governmen… ing and taxation has … major role in stimulati… tion and placing the … economy "in jeopard… Executive Director … Canadian Chamber of C… charged to-day.

"The three levels of … ment extract in taxes … per cent. of the value … the goods and services … in Canada," Mr. Sam Hu… a meeting in Montreal.

THE FINANCIAL TIMES, published … Sundays and holidays. U.S. … $167.00 (air freight) $134.00 (air … annum. Second class postage pa… York, N.Y.

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صورة من الأصل

هكذا صدر الأصل



# OVERSEAS NEWS

## ANC leadership accused of harming African cause

Y BRIDGET BLOOM, AFRICA CORRESPONDENT

NCHANT CRITICISM of the rnal wing of Rhodesia's can National Council, in ing a charge that as present tituted the ANC has caused ive harm to the African malist cause, was made in ion yesterday by Mr. Robert abe, a prominent ANC ral Committee member and etary General of Zanu, h merged a year ago into reorganised ANC.

Mugabe, who left lesia secretly last April and spent the intervening months Mozambique, said that the "is in disorder." Both its nisation and top leadership ich last September split the internal wing led by ua Nkomo and the external of the Rev. Sithole and op Muzorewa—had lost touch the rank and file and should ss it could meet certain gent conditions, be dis led.

ic conditions, Mr. Mugabe had to be based on a recog n of reality of the Rhodes situation, which was that the ary struggle was now mount. Discounting the ibility that Mr. Nkomo's with the Rhodesian ernment could result in an ptable settlement of the lesia question, Mr. Mugabe ared that a new leadership, from within the ranks of the guerilla fighters, must be found.

Charging that the ANC in Lusaka and Dar es Salaam was disorganised and inefficient and had, for exmple, failed to get supplies to nationalist camps in Mozambique and Tanzania, Mr. Magabe said that unless the present nationalist leaders could turn themselves into guerilla fighters, they were irrelevant to the future of Zimbabwe.

Mr. Magabe's statement—in an interview with the Financial Times in London — is important not only for the light it throws on present leadership struggles within the external wing of the ANC, but also on the state of readiness of the African guerilla movement whose aim is to overthrow white minority government in Rhodesia.

For at least a year. Mr. Mugabe's name has been linked with efforts within the former Zanu group of the ANC to wrest the leadership of the former Zanu from the Rev. Ndabaningi Sithole. Denying that he was aiming at the leadership, Mr. Mugabe said that, as a result of some nine months with Rhodesia guerillas in Mozambique, he felt that he was a spokesman for their view.

Despite recent reports that up to 12,000 Rhodesian guerillas were now poised to enter Rhodesia, Mr. Mugabe confirmed that largely, because of a failure in central leadership, but also because of the divisive effects of Southern African "detente," the guerillas have been in a state of disarray.

## MPLA 'captures town'

LUSAKA, Jan. 21.

THE Soviet-backed MPLA has claimed it has captured the vital Unita-held town of Cela and opened up the road to Angola's southern capital of Huambo 100 miles away.

As the military situation deteriorated, Jonas Savimbi, the leader of the anti-Communist Unita movement flew to Kinshasa for discussions with President Mobutu Sese Seko and his Angolan coalition partner, Holden Roberto of the FNLA movement.

UPI

## U.S. 'relays Israeli warning to Damascus'

By L. Daniel

TEL AVIV, Jan. 21

ISRAEL HAS officially warned Syria, via Washington, against direct intervention in the fighting in the Lebanon, according to reliable sources in Washington quoted in to-day's issue of Maariv. Elsewhere it was reported that the U.S. had itself warned the interested parties in the Lebanon—Israel and Syria—against intervention. However, there was no official confirmation.

Meanwhile, reports that a further 1,500 to 2,500 men of the Palestine Liberation Army entered Lebanon from Syria last night gives rise to serious doubts here about the identity of these troops, since the total of PLA soldiers and officers stationed in Syria is estimated at a maximum of 2,000 to 3,000, most of whom had presumably crossed into Lebanon on Monday. It may be that Damascus does not at this stage want it known if Syrian troops are also involved, pending the outcome of the visit to Moscow by U.S. Secretary of State Henry Kissinger.

The claim by the PLO that Israel is concentrating large forces along the Syrian and Lebanese border is roundly denied here. Not even in Beirut has it been suggested that there are any Israeli troop concentrations along the Lebanese border beyond the normal border patrols.

Sheikh Mohammed al Ja'abari, Mayor of the shrine city of Hebron on the occupied West Bank and a Sunni Moslem, to-day called on the leaders of the Arab States to send a combined force into Lebanon to separate the warring factions by military means. "The bloodshed is getting too vicious," the Mayor wrote in an open letter to the Jerusalem Arabic daily Al-Kuds.

## Lebanon partition nearer

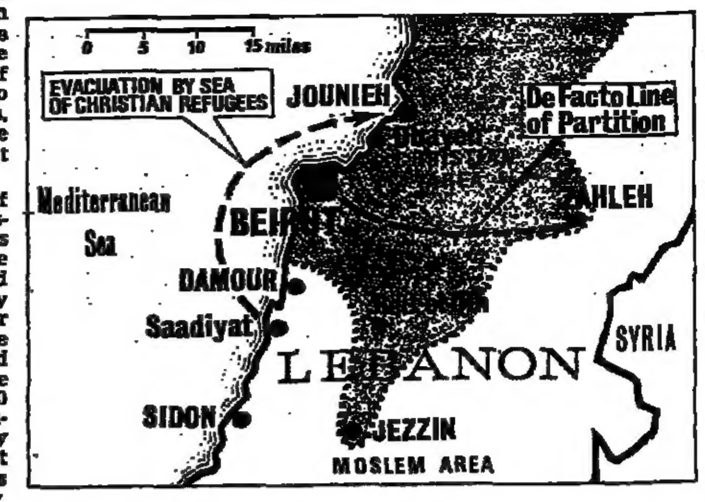
BY RICHARD JOHNS, MIDDLE EAST EDITOR

THE LINES of partition in Lebanon have hardened over the past two days with the evacuation of Christians from Damour and Jiyyeh—communities which fell to Moslem and Palestinian forces on Tuesday. So far only a small minority of the estimated 250,000 Christians living in the exposed places outside the predominantly Maronite-area have escaped from the forces which are over-running the north, east and south of the country. Yesterday the Moslem forces were reported to be destroying Damour in vengeance for the Phalangists capture of Dbaye camp, the siege of two other Palestinian refugee camps, and the destruction of the Quarantina quarter in east Beirut.

At Damour, 25 miles south of Beirut, the alliance of Palestinians, Druze-dominated forces and Moslems—mostly from the minority Shi'ite sect — scored their biggest victory on Tuesday when they took Damour after five days fighting in which the beleaguered Christians received some help from the Lebanese Army. Anything from 6-10,000 people from this picturesque fishing town were evacuated by army helicopters and boats to Saadiyat to the north which itself was under intense pressure yesterday. In turn, the home town of Mr. Camille Chamoun, Minister of the Interior and leader of one of the many Christian factions, the National Liberals, was under heavy bombardment from attacking forces

The higher estimate of 10,000 refugees was given by Mr. Chamoun himself who probably exaggerated the number. Certainly, however, they must have felt that they had jumped from the frying pan into the fire. Saadiyat itself came under intense pressure from the left wing Moslem-Palestinian forces as early as Sunday when the Phalangists broke the short-lived ceasefire in Beirut and the squeeze on the isolated communities outside the "safe" Maronite enclave was tightened.

The Western-orientated Mr. Chamoun, who in 1958 invited the U.S. to intervene in Lebanon under the old Eisenhower doctrine, yesterday appealed to the UN to save the refugees sheltering in beleaguered Saadiyat. With the coastal route available—though disputed by a Palestinian-Moslem flotilla of armed fishing craft—and helicopters probably available, their prospects for survival looked relatively good. Much more problematical in this atavistic conflict is the fate of




the Christian communities in the interior of Lebanon.

With the backing of Palestinians from Syria, members of the Palestinian Liberation Army and, presumably, the Damascus-backed Saqia guerilla group have made a clean sweep of the northern Akkar region where Army posts which evidently had sought to preserve the "integrity of Lebanon" fell on Tuesday to the attackers. As the Christians flee to the Maronite redoubt, the security forces which, anyway, were very thin on the ground have been powerless to prevent the Left-wing Moslem assault in the north and the south, which is inhabited largely by the deprived Shiites who have borne the brunt of Israeli retaliation against the guerillas in the past.

On the fringe of the de facto partition line the town of Zahle has a Christian population of 60,000. Both it and the isolated community of Deir al Ahmar were resisting the forces besieging them with the assistance of some army units. At the northern tip of the Maronite enclave, the town of Zghorta, the power base of President Franjieh, seemed relatively secure.

It is anyone's guess what has happened to the Greek Orthodox communities in the Moslem urban centres of Tripoli, Amioun and Chekka—though it should be said that this sect has always co-existed much more happily than the Maronites and has kept out of the general affray so far.

In terms of human life, it looks as if the Phalangists are paying a high price for their concerted and pre-planned attack on the Quarantina quarter of Beirut on Sunday, only eight hours after the ceasefire had been declared.

They mounted the offensive to secure their supply lines to their foothold in the devastated centre of Beirut. Several thousand inhabitants were evicted from the slum area and the defending Moslem forces suffered heavy casualties. But they were few in number compared with the Christians who face death or exile from their homes elsewhere in the country.

## Hussein in Syria for talks on Beirut

DAMASCUS, Jan. 21.

KING Hussein of Jordan arrived in Damascus to-day on a previously unannounced visit and was greeted by President Hafez Assad. Government sources said the talks between the two leaders would centre on the Lebanon civil war, Syrian efforts to arrange a ceasefire and Arab League Secretary-General Mahmoud Riad's call for an Arab summit.

In another development, Kuwait became the second Arab country, after Egypt, to approve Riad's call. Kuwait suggested that the summit should be preceded by a conference of Arab foreign ministers, while Egypt said the "necessary preparations" should be taken before the summit is held.

Reuter adds from Beirut: The leader of a major Palestinian commando organisation has said there is no need for any Syrian intervention in the Lebanese civil war because the Left-wing forces can win without outside help.

Dr. George Habash, leader of the Marxist Popular Front for the Liberation of Palestine (PFLP), said in an interview last night that Syria should back the Left-wing cause here politically, morally and materially.

However, Dr. Habash confirmed that units of the Palestine Liberation Army had entered Lebanon from Syria. "What is so strange in having the PLA intervene in the present battle?" he asked. "The PLA is defending the Palestinian masses against a vicious attack being waged by the Lebanese reactionaries and aimed at liquidating the Palestine revolution."

During the interview, Dr. Habash said that the four Palestine commando organisations which make up the "rejection front" were resolutely opposed to any negotiated agreement with Israel.

## India to get cheap crude oil from Gulf

Y K. K. SHARMA

NEW DELHI, Jan. 21.

Indian government has e arrangements for the ly of crude oil from Iran and Arab countries at concesary rates, according to the ster of Petroleum, Mr. K. D. iviya. Although he did not lose the quantity or the terms thought that India's needs of nd 15m. tonnes this year will met through concessional orts from Iran, Iraq, the UAE, ait and Libya. Saudi Arabia he only country which has sted on straight cash sales ough part of the cost will be through cooperation in the ntry's industrialisation proame.

r. Malaviya said that India's rnal production will be nd 9m. tonnes this year as pared with 8.27m. in 1975. this production from the nbay High offshore field will 500,000 tonnes.

Herr Egon Bahr, West Gern Minister for Economic Coration, has told India's Prime nister, Mrs. Gandhi, of his ernment's decision to relax terms of aid given by it. Rement of capital aid to India now be spread over a 50- period including a grace period of ten years and the interest charged will be only 0.75 per cent. This means a grant element of 85 per cent. so that West German aid will be on the lines of that given by the International Development Association.

● India's foreign exchange reserves plummeted by Rs.1,890m. to Rs.6,664m. in the first week of January, thereby suddenly reversing the steady upward trend in the past few months which took the reserves to Rs.8,495m. at the end of December. The fall is principally due to repayment of debt instalments to the International Monetary Fund and other creditor countries.

● Reuter adds: India's four news agencies have reached agreement in principle on government plans for them to merge into a single national agency. The Board of the Press Trust of India (PTI)—largest of the four—decided yesterday to offer its good offices to draw up and implement the proposed merger on a voluntary basis in consultation with the other three agencies.

## Australia eases tax rules on convertible notes

Y KENNETH RANDALL

CANBERRA, Jan. 21.

Treasurer, Mr. Phillip h, to-day announced details ew measures promised in Government's pre-election ges to make it easier for panies to raise investment expansion loans.

ie measures, the third package announced since the Decem 13 elections in the Governt's programme aimed at ulating business confidence, the conditions under which me tax deductions can be ned for interest payable on ertible notes.

ie Government is abolishing of the deductibility condi introduced in 1970 and is tantially easing a fourth. new conditions apply as January 1.

his statement to-day, Mr. h said the present requiret that convertible note issues or a minimum seven-year owing period was being withn. There would be no mum period.

so to be abolished under lation to be brought down e new parliamentary session nning on February 17 is the irement that the note- er's option to convert remain at least at 12 monthly vals throughout the period when it was first exercis- to a date not earlier than onths from the maturity date ie loan.

It will be left open to companies to choose when the option is to be exercised during that period. At the same time, companies no longer will be precluded from offering terms that would induce noteholders to convert earlier rather than later.

Mr. Lynch also disclosed that the same flexibility to vary interest rates will be permitted under the new legislation to note issues made in Australia as applies already to those made abroad. Movements in Commonwealth bond rates will be taken as the bench mark for this purpose.

Details of the new measures come within 24 hours of a statement by the Prime Minister, Mr. Malcolm Fraser, setting up an economic advisory group of business and trade union leaders designed to improve communication between the Government and the private sector.

Fifteen of Australia's industry leaders, including representatives of some of the country's biggest multinational corporations, and two senior trade unionists, have been appointed to the group under the chairmanship of the treasurer, Mr. Lynch.

Announcing the group's membership, Mr. Fraser said its formation would ensure the Government was kept informed of the private sector's attitude to economic trends.

## Civilians bombed by Morocco, says Algeria

Escalating its war of words against Morocco, Algeria's state-run news agency APS, yesterday charged that Moroccan aircraft and tanks have carried out genocidal attacks against civilians in the western Sahara, writes UPI from Algiers. The agency said Moroccan Air Force aircraft on Saturday and Sunday bombed Saharian refugees in three camps, causing "numerous victims among the women and the children." It added: "The objective of the bombardment consisted of the massive destruction of the unarmed Saharian population."

There was no immediate Moroccan reaction to the charges.

Godfrey Grima writes from Valetta: Maltese Premier Dom Mintoff is being asked by Morocco to intervene in the Sahara dispute and the plea is expected to be renewed during a two-day visit by Moroccan Premier Ahmed Osman, which began yesterday. The Moroccan Government is hoping Mr. Mintoff's close ties with Libyan President Khedaffi will help diffuse the worsening crises between Algeria and Morocco.

## Israel's Rakah party defeated

In sharp contrast to the municipal elections in Nazareth a month ago, when the Moscow-orientated Rakah party swept the board, it lost out completely this week in the municipal elections at Kafar Kanah, one of the largest Arab villages in Israel, writes L. Daniel from Tel Aviv. It only received 20 per cent. of the votes cast in contrast to the 51 per cent. in Kafar Kanah, the last elections to the Knesset (Parliament). Thus Rakah will have only three seats on the 13-man local council, with the remainder going to two local lists divided mainly by family connections.

● The Government's proposal to extend censorship to classified documents exchanged with foreign states and to meetings between Israeli personalities and representatives of countries with which Israel has no diplomatic relations looks like being outvoted in the Knesset Foreign Affairs and security Committee. That is, if it gets to a vote.

Instead, a voluntary agreement may be reached between the editors' committee and the Government that such information should not be publicised.

## Manila election delay

Philippines President Marcos ruled out yesterday the holding of general elections at least within the next four years, reports UPI from Manila.

But Mr. Marcos announced the creation of a broad-based legislative advisory council which he said may later on assume the functions of a national assembly. He said that public opinion poll results of January, 1973, convened four months after he had proclaimed martial law, showed Filipinos were against the holding of elections for the next seven years from that time.

## Laos commission

Britain, together with the Soviet Union, as the co-chairman of the 1962 Geneva Conference on Laos, yesterday informed its 12 other members that the activties of the Laos International Control Commission "should be regarded as having terminated with effect from December 1975," our foreign staff writes. This follows a request from the Laos government. The ICC's role—to supervise the 1962 ceasefire—has long been defunct, the more so since the Communist Pathet Lao takeover last year.

## Miki calls for change

Japanese Prime Minister Takeo Miki said that Japan's most urgent task was to lift its economy out of recession and achieve stable economic growth without inflation, reports Reuter. Mr. Miki said that the time had come for a big change in Japan. The country's economic growth had dropped to 0.6 per cent. last year from an annual average of 10 per cent.

EUROPEAN NEWS

After spending $528m. in 20 days to support their currency, the Italians have shut their foreign exchange markets indefinitely

# The lira: early casualty of political crisis

BY ANTHONY ROBINSON IN ROME

THE LIRA has once again become an early casualty of an Italian Government crisis. In the first 20 days of 1976 the Bank of Italy spent $528m. in supporting the lira. To stop the haemorrhage the Government has been forced to close the Foreign Exchange market until further notice. The decision was taken in the early hours of yesterday by Prime Minister Aldo Moro after an emergency meeting with the Governor of the Bank of Italy, Sig. Paolo Baffi, and selected Ministers and advisers.

The renewed flight from the lira is the classic response to the political uncertainty generated by Italy's 35th post war government crisis whose outcome is still far from clear, but which carries within it the risk of early general elections, the possibility of a further step forward in the Communist Party's long march towards sharing power in the national government, or, at the most optimistic assessment, most optimistic assessment some form o feventual compromise which leaves the situation much as before.

But, if one moves beyond the purely political aspect of the current crisis, it becomes clear that there are several economic and financial grounds for believing that to a certain extent the political crisis has essentially acelerated the timing of what would in any case have been a difficult future situation for the Italian currency.

A whole series of labour contracts, including the key engineering and chemical workers' contracts, expired at the end of last year and negotiations are now entering into the critical phase. On past performance, this inevitably means strikes, industrial unrest and, at the end, a substantial rise in overall labour costs. In Italy's case this includes a high level of social charges which account for nearly 50 per cent. of the total labour bill. The existence of this situation is one of the more pressing reasons for the formation of a government capable in the last resort of mediating between the two sides or at least of ensuring an effective political presence in the country.

## Question of timing

One only has to glance at the Italian reserve position, the size of its outstanding foreign debt and the weakened state of the Italian economy after 18 months of low investment and recession to see that, even without a Government crisis, the second half of 1976 at the latest would have seen the Lira come under pressure. The political crisis has served principally to put forward the timing.

In Tuesday night's statement, the Government made clear that the loss of $528m. over the first 20 days of this year has left the Central Bank with only $591m. worth of convertible currency reserves in addition to the $3,482m. worth of gold (still valued at $42.3 per ounce). As against this Italy has outstanding foreign debts—both to international institutions and the Eurodollar market of around $14bn. Last year Italy repaid $500m. to the Bundesbank and some $920m. of other loans. At the same time it took in $379m. as last tranche of the $1.2m. IMF standby arrangement plus $920m. from its oil facility. These capital movements, plus a reduction of around Lire 500bn. (about £730m.) in the net foreign indebtedness of the commercial banking system, left Italy with reserves plus net position of the banks of around $4.8bn. compared with $6.89bn. at the end of 1974.

The $1.5bn. outstanding from the Bundesbank borrowing made in August on the strength of a gold collateral, is due for repayment this autumn along with over $300m. of other loans. The debt repayment schedule coincides with a forecast deterioration in the current account due to the expected recovery in the economy from previous depressed levels and hence a certain deterioration on the trade account.

Under these conditions 1976 was in any case going to be a difficult year for the lira. The monetary authorities expected to be able to face it to a certain extent by contracting new Eurodollar loans to replace loan instalments falling due. The State railways, IMI, ICIPU, ENEL are all believed to have plans to raise funds through the market this year. However the increased surveillance of the debt position of major U.S. banks by the U.S. authorities and the reported decision of the U.S. Comptroller of the Currency to consider loans to Italian bodies as essentially loans to one borrower, the Italian state in view of the State guarantee, has provoked a certain apprehension here about future borrowing prospects.

## Indirect pressure

In this context it is at least worth mentioning the suspicion of the left wing parties, in particular, that Italy's heavy indebtedness is one way in which indirect pressure can be brought on public opinion by reminding it just how much the country depends on the goodwill of the international financial community. Clearly the prospect of the entry of the Communist Party into the Government arena would not be an event calculated to increase this goodwill.

It should, however, be said that the chances of the Communist Party entering into any new Government now look distinctly dim. Informed public opinion even doubts whether the Communist Party really can emerge from new general elections as the largest Italian Party. The Communist Party itself does not seem to expect that.

But whatever solution is found to the debt financing problem, the economy in 1976 faces a series of major problems. Over the first 11 months of last year imports fell by 7.9 per cent. in money terms and exports (f.o.b.) rose 16 per cent. to L20,432bn. Exports to the OPEC, Eastern Europe and developing countries generally rose particularly fast and the trade deficit with the Common Market area was sharply reduced. In real terms imports fell 12 per cent. over the year as a whole and exports rose over 2 per cent. Inflation was also virtually halved to around 12 per cent. annually.

But while these achievements should not be underestimated it has to be recognised that the turnround, was achieved at the price of an unprecentedly sharp domestic recession, a 250 per cent. increase in short time working, unemployment of over 1.2m. including that of potential new entrants to the labour market, a series of plant closures particularly by international companies such as Leyland Innocenti, Richardson Merrel, General Instruments and others, a steep fall in industries' stock levels and investment and a further weakening of the overall financial and economic structure of the country.

It is against this background that the Government introduced a 3,000bn lire reflation plan in July, aimed principally at reactivating the languishing housing and construction sector and promoting exports, and subsequently introduced a complex series of proposals just before Christmas under the general title of an industrial reconstruction plan.

## Sparking the crisis

The essential features of the plan include a new 1,200bn lire fund to be spent over three years on projects approved by a new economic co-ordinating body called CIPI (Comitato Interministeriale Per La Riconversione Industriale) plus a further 600bn. lire to refinance the existing Law 623, which provided credits for small and medium industry, plus the provision of a further 4,100bn. lire for the investment plans of State industries. It also provided for industrial re-training by the regions (particularly necessary in view of the fact that even at the height of the recession industrialists in the North of Italy continued to complain about the shortage of skilled workers) and, one of the most controversial points of all, provision for a guaranteed salary for up to four and a half years for workers made redundant in an effort to encourage labour mobility.

This was the plan which sparked off the present government crisis: the Socialist Party claimed that it was insufficiently consulted while every effort had been made to secure the consent of the Communist Party, the formal opposition. The Socialists quickly set their own economic experts working out their own plan for industry and insist that their version be accepted if they are to participate in a new government. The Communist, Social Democrat and Liberal and Republican Parties have since come out with their own variations and comments as well.

Whatever the merits of the various plans the brutal reality of the overall economic and financial situation is that all these plans are likely to remain essentially exercises in what one economist derisively called "oral planning" since the state of Italian public finances is such that money does not seem to be available to finance any of these plans.

Last year the treasury deficit is estimated to have reached between L11,000bn. and L12,000bn. equivalent 12 per cent. of GNP. ally all this is due t spending. In structur weakened industrial a tive apparatus has p certain leeway for an i non-productive publi spending. In the a demand for investmen duction purposes the b helped finance the pu deficit by massive pu Treasury bills and oth ment paper, while itself has tended to i wise in financial rathe assets. It now looks of the surplus liquid system is now findin into safe havens abr

Under these rather circumstances there s little leeway for a res growth this year, ex side effect of export on the back of the international recovery stage the authorities a templating import e further currency co interest rates will pr again above internatic

The margin for hi and salaries looks ver chances for employr Somehow public secto will have to be raised ing reduced if resou be made available for and reform. But the tially the task of g and the Government

Mr. Brezhnev poses with Dr. Kissinger and Soviet Minister Andrei Gromyko at the start of yesterday's talks.

# Angola mars Salt talks

MOSCOW, Jan. 21.

UNITED STATES Secretary of State Henry Kissinger and Soviet Communist Party leader Leonid Brezhnev began two days of strategic arms talks to-day with a smiling, but barbed exchange over Angola.

Dr. Kissinger arrived last night to try to clear away the last obstacles to a new strategic arms limitation (SALT) agreement, but also to warn the Russians that U.S. anger over continuing Soviet intervention in Angola was deep and genuine.

But Mr. Brezhnev, jovial and robust-looking at his first public appearance in nearly a month, dismissed the Angola issue. "I have no questions, Angola is not my country," Mr. Brezhnev told reporters watching the handshakes as the two sides began their meeting inside a Kremlin office.

"It will certainly be discussed," Dr. Kissinger said coldly. "The agenda is always adopted by mutual agreement," Soviet Foreign Minister, Andrei Gromyko said. "I will discuss it." Dr. Kissinger repeated.

"You will discuss it with Sonnenfeldt," Mr. Brezhnev said, referring to State Department counsellor Helmut Sonnenfeldt, a member of Dr. Kissinger's party, standing nearby.

"That will ensure complete agreement. I have never seen Kissinger have a disagreement with Sonnenfeldt." Mr. Brezhnev added, evoking an uneasy laugh from officials of both countries.

Senior U.S. officials said Dr. Kissinger was concerned that the Soviet Union might not understand, despite all his strong words of recent weeks, that the U.S. is in earnest when it says Communist intervention in Angola must end.

This morning's talks covered a general review of the world situation, but dwelled on the nuclear arms talks. Asked afterwards whether Angola had in fact come up already, Dr. Kissinger said. "It was mentioned." but gave no further details.

Mr. Gromyko said the morning's talks were just "the beginning of the beginning. We made just one step."

Asked when he might visit the United States for a long-delayed summit with President Ford, Mr. Brezhnev said: "I expect to go but I can't say when. The basic point of the visit is that an [atomic weapons] agreement must be reached and then Comrade Brezhnev will go to Washington and sign it."

The new SALT agreement has been delayed by differences over two key issues, which Dr. Kissinger is trying to resolve in his talks here. The issues are the U.S. Cruise missile and the Soviet Back-fire bomber, neither of which was covered in the preliminary Vladivostok summit agreement limiting each country to 2,400 nuclear missiles and bombers.

The likely compromise that appears to be emerging would count neither weapon in the 2,400-weapon ceiling but would require restrictions on basing and range so that neither weapon could strike the enemy's heartland.

Reuter

# FT among 18 newspapers to be sold in Moscow

MOSCOW, Jan. 21.

EIGHTEEN western newspapers, including the Financial Times, the New York Times and the Washington Post, are to go on sale in the Soviet Union this year, Tass news agency said to-day.

Yevgeny Prokofyev, head of the Sovient Government agency for distribution of periodicals, told Tass that sale of the newspapers was an indication of Soviet compliance with the final document of last year's Helsinki security conference, which called for freer flow of information between East and West.

But Mr. Prokofyev gave no indication of where Soviet citizens would be able to buy the journals.

Soviet officials claim several well-known western newspapers already can be purchased here—among them Le Monde, The Times and the Paris International Herald Tribune.

Yet westerners who try to buy them at major hotels or news-stands generally can find only western Communist newspapers

UPI

# Kremlin cuts exit visa fee

MOSCOW, Jan. 21.

THE SOVIET UNION has recently cut exit visa fees for a number of emigrants, diplomatic sources said to-day. Several Soviet citizens allowed to leave the country here told Western consular officials they had to pay 300 roubles (£190) for their exit visa, a cut of 100 roubles (£64).

The sources said that so far, it appeared to apply to all people leaving the country

The changes have not affected the 500 roubles (£320) fee which Jewish emigrants pay additionally to renounce their Soviet citizenship before leaving for Israel.

Reuter



# Paris takes steps to protect the franc

By Rupert Cornwell

PARIS, Jan. 21.

THE BANK of France gave further substantial support to its currency to-day as the backwash of Italy's decision to close its foreign exchange market added to doubts surrounding the franc.

The net effect of a week of sporadic pressure on the French currency has been to push the dollar up to over Fr.4.50 this evening from around Fr.4.45. The key rate against the D-mark has also weakened, to approach Fr.173 for DM100, and below the franc's 172.50 central rate operating for the two currencies within the EEC snake which France rejoined just six months ago.

So far, sales of the franc have been comparatively modest and in the past few days it is unlikely that intervention has exceeded $250m. This figure must also be set against the heavy purchases of foreign exchange by the central bank to hold down the franc towards the end of last year.

Even though support to-day may have reached $150m., the Finance Ministry is publicly confident that the movement is speculative and without solid foundation.

Should it prove wrong, however, the consequences might be highly embarrasing for President Giscard d'Estaing. Although the revaluation of France's gold stock has pushed up reserves to around Frs.100bn. (£11bn.), past experience has shown that the Government is ready to take drastic action rather than fritter away foreign exchange by propping up a rate with which the markets disagree.

The uncertainty flowing from events in Italy has merely brought into the open a number of factors weighing on the franc. A substantial trade deficit is forecast this year by private banks, threats of a capital gains tax has restarted the traditional exodus of French money into Switzerland, while the Shah of Iran is reported to have warned that loans pledged to Paris and London may have to be cut back as a result of the drop in his country's oil revenues.

# Man dies in Lisbon demo

LISBON, Jan. 21.

PORTUGUESE police armed with automatic rifles to-day shot dead a Leftist taking part in a banned demonstration in the centre of Lisbon, hospital officials said.

Four other demonstrators and one policeman were wounded in the clash, which occurred in a narrow street as the demonstrators were gathering. Eye-witnesses said the police opened fire as the Leftists hurled stones at them.

The man killed was aged 23, and the others were all of a similar age. At least four of the wounded were hit by bullets, but hospital officials said they were not in a serious condition. All were Portuguese, hospital sources said.

The demonstration was organised by extreme Left-wing groups to press for a 40-hour working week and workers' control in enterprises. The office of Lisbon's socialist civil governor yesterday declared the demonstration illegal, because it had not been cleared with the authorities.

The violence erupted as Portugal's military rulers met civilian politicians to discuss power sharing. Meanwhile, shop assistants in central Lisbon went on strike for two hours this afternoon to press claims for higher wages.

Radical Left-wing groups and the Communist Party were said to have played a major role in planning the November upheaval in an official military report published yesterday.

The Communists have sought to clear themselves of the accusations.

The military Council of the Revolution held the first of a series of meetings with the main civilian political parties. The Council, Portugal's supreme political body, proposed last week that the armed forces should play a reduced role in political life.

The Council's draft, which only suggested a minor reduction in their overall power, has been strongly criticised by all the parties except the Communists who see it as only giving limited political powers to civilians.

With all the parties involved—the Socialists, the Centre-Left Popular Democrats (PPD), Communitsts, their allies the (MDP and Conservative Centre Democrats—due to hold separate discussions with the Council an early agreement is not likely.

Reuter

# Madrid optimism on strike trend

BY ROGER MATTHEWS

MADRID, Jan. 21.

OPTIMISM that the present wave of strikes and demonstrations in Spain had "peaked out" was noticeable in Government circles to-day with officials hoping that attention would now be diverted to "more positive matters" such as the military bases agreement with the U.S., due to be signed at hte week-end, and the prospect of a thawing in Common Market attitudes towards a new trade agreement.

The Government is also understood to be close to announcing new regulations on the right of assembly which could have an important bearing on political evolution and is a vital forerunner to any attempt at liberalisation.

Sr. Fraga Iribarne, the Minister of the Interior, saw a prominent member of the main socialist party to-day to discuss the possible return to Spain of political exiles. At least 15 people were arrested in the capital last night as massive police forces dispersed would-be demonstrators backing a call from the main opposition parties for a political amnesty and democratic freedoms.

Parts of Madrid, however, are still badly affected by strikes and lock-outs and with 125,000 workers under military control it is unlikely that labour peace can be bought in the short term. An indication of the solidarity shown by some workers is being seen in an industrial satellite town of Barcelona where nearly 20,000 men have halted production at 95 separate plants following the death of a colleague who was knocked down by a police vehicle.

Some 12,000 miners employed in the state-owned coalmines of Asturias have been locked out until February 1 for strikes at the start of this week and there are many other disputes in regional centres.

# Bonn acts on young unemployed

BY ADRIAN DICKS

BONN, Jan. 21.

RESPONDING to public concern over the rising number of jobless, the West German Cabinet decided to-day to spend DM.300m. on an emergency programme to reduce unemployment among young people. There are estimated to be some 116,000 young people out of work, compared to a national jobless total of 1.2m. in December.

Full details of the programme may not be made known before next week's Cabinet meeting, but one major step agreed to-day is the creation of regional centres to provide places for apprentices. The Government is also known to be considering further ways of strengthening industrial training and retraining facilities.

To-day's measures were presented by the official spokesman, Dr. Armin Grunewald, in the form of a remedy for a specific problem, rather than as part of any broader reflationary strategy.

Indeed, the Finance Minister, Herr Hans Apel, went to some length to-day to emphasise that the Government does not intend to relax its policy of financial stringency, despite confirmation that it is now some DM7.8bn. better off than had been previously forecast. In addition to a shortfall of some DM5.2bn. already registered in public spending last year, there was an additional DM2.6bn. on the revenue side.

Herr Apel said that this substantial fiscal cushion would be used to reduce from DM38bn. to about DM30bn. the projected 1976 public borrowing requirement, thus easing pressure on financial markets at a time when industry would need to borrow more to fuel the expected upturn in the economy.

The Finance Minister also confirmed that the SPD/FDP coalition, if re-elected, would carry out its plans to raise value added tax to 13 per cent. and to lift tobacco and spirits duties on January 1, 1977, in preference to running up larger public deficits.

Taken together, to-day's measures appear to be a further move down the cautious middle way that the coalition is trying to tread between the Left wing of the SPD and the more laissez-faire elements of the FDP, as they contemplate this year's campaign. In another decision, meanwhile, the Cabinet formally set October 3 as election day.

# French lawyers on strike over divorce court role

BY ROBERT MAUTHNER

PARIS, Jan. 21.

THOUSANDS OF lawyers throughout France, including virtually every member of the Paris Bar, went on strike to-day in protest against new laws which give them a much smaller role in divorce cases than hitherto.

The President of the French Bar Association, M. Francis Mollet-Vieville, has gone out of his way to describe the strike, which ends on Saturday, essentially as a moral protest against measures which gaves judges a monopoly and diminished the defendant's rights by depriving him of the full services of defence lawyers. Clearly, however, the latter are also very concerned at the loss in fees which would be the inevitable result of the application of the new divorce laws.

The Justice Ministry tried to adopt a firm line towards the lawyers by instructing Public Prosecutors, who are State employees and did not join the strike, to refuse to postpone cases and to requisition members of the Bar whenever justified. The Ministry's order followed a circular note sent by the President of the Paris Appeals Court, M. André Dechezelles, informing magistrates that he left it to their consciences to decide whether they should go ahead with cases or not.

M. Dechezelles nevertheless expressed his personal opinion that, except in special circumstances, the prosecution could not bring a case unless the defendant was represented by his lawyer.

## FRANCE BLOCKS EEC PAYMENT TO FUND

By Reginald Dale

BRUSSELS, Jan. 21.

THE EEC is now highly unlikely to be able to offer to contribute to the planned new International Fund for Agricultural Development (IFAD) at the "pledging" conference due to start in Rome on January 28.

Failure to contribute, as a result of French opposition, could damage the Community's image in the Third World and perhaps jeopardise the Fund's establishment, in the view of officials here.

Nevertheless, the French argue that there must be an overall review of the EEC's overseas aid commitments, and pritorities settled, before money can be committed to new ventures.

So far the U.S. has offered $200m. to the Fund provided the total is brought up to $1bn. by other contributors. Britain has offered £16m. The OPEC countries are to meet in Paris to decide their contribution next week.

# Iceland decision to-day

BY DAVID BUCHAN

MR GEIR Halgrimsson, the Icelandic Prime Minister, will decide to-day whether to accept the British Government's invitation for talks in London to end the "cod war." Speaking after a meeting of his Cabinet yesterday, Mr. Halgrimsson said: "We will announce our decision to-morrow after meetings with the Foreign Relations Committee and the special Fishing Committee."

Britain is placing considerable hope on an early acceptance by Iceland. Any delay is seen as increasing the chances of a confrontation between British trawlers and Icelandic gunboats.

Why Mr. Halgrimsson is hanging fire after Britain's concession last Monday in pulling the Royal Navy out of the 200-mile zone is not clear in Whitehall. One of the hardliners in the Icelandic Cabinet, Mr. Olafur Johannesson, the Justice Minister and also the man in charge of the coast guard, was quoted yesterday as saying that "I think he (Mr. Halgrimsson) should go and I hope an agreement will be reached." One reason might be that the Icelandic Foreign Minister, Mr. Elan Einar Agustsson, has been ill but will be back at work next Monday, and the Prime Minister may want to involve him in any London negotiations.

# 'CIA team named in Holland'

The Dutch Left-win Vrij Nederland yeste lished the names of sev of the U.S. embassy in and alleged they were the CIA, Michael Van The weekly, which some surprise at the ex CIA activities in Holl that the six men and had been mainly activ ganda activities.

The weekly added t past a number of promising" Socialist made extensive visits at the Americans Among them were t Party's spokesman o and foreign and econo

## Danes delay E Talks with Can

THE EEC is now rea negotiations with Can economic and comm operation agreement to the settlement of a by Denmark, writes Re At yesterday's Counci Brussels, the Danish maintained its insis Canada must of discriminatory access resources and security as part of the deal. objection will be discu Paris-based Internatio Agency.

## April 1st summ

The next EEC summi pean Council, is to Luxembourg on April Main topics are expecte Tindemans report on union, direct elections t pean Parliament and South Conference on In Economic Co-operation

## Guillaume deni

The West German Justi denied that the Govern to free Guenther Guil victed East German brought about the res Willy Brandt as Chanc denial, UPI reports, wa by a newspaper repor East Germans have West Germany to gain exchange.

## U.S.-Spain talks

Mr. Robert McCloskey, dor at large, arrived in Head the U.S. delegat has been negotiating a the military bases agre Spain, UPI reports. Embassy said it hoped long negotiations will so that Secretary of Henry Kissinger can agreement when he ar for a 24-hour visit on S

## Recognise MPL

The Dutch Labour Pa on the coalition Gover Socialist Prime Minister Uyl to recognise the Movement for the Lib Angola (MPLA) as legitimate ruler, Reuter The Party has also d make 10,000 guilders av the MPLA.

## Saud in Bonn

Prince Saud Ibn Fais Arabian Foreign Ministe three-day visit to Bonn, about economic and logical co-operation.

## New constitution

Albania is to become a people's republic" inst "people's republic," und draft constitution publ day, Reuter reports.

## Swiss arms expo

Swiss armament reached a value of Sw. last year, compared wi Sw.Fr.236m. in 1974 Jot reports from Zurich. markets were Iran Sw.Fr.119m., and Spain a Germany, with some Sw each. Deliveries to I Spain consisted almost anti-aircraft equipment to West Germany mainly aircraft equipment and armoured vehicles.

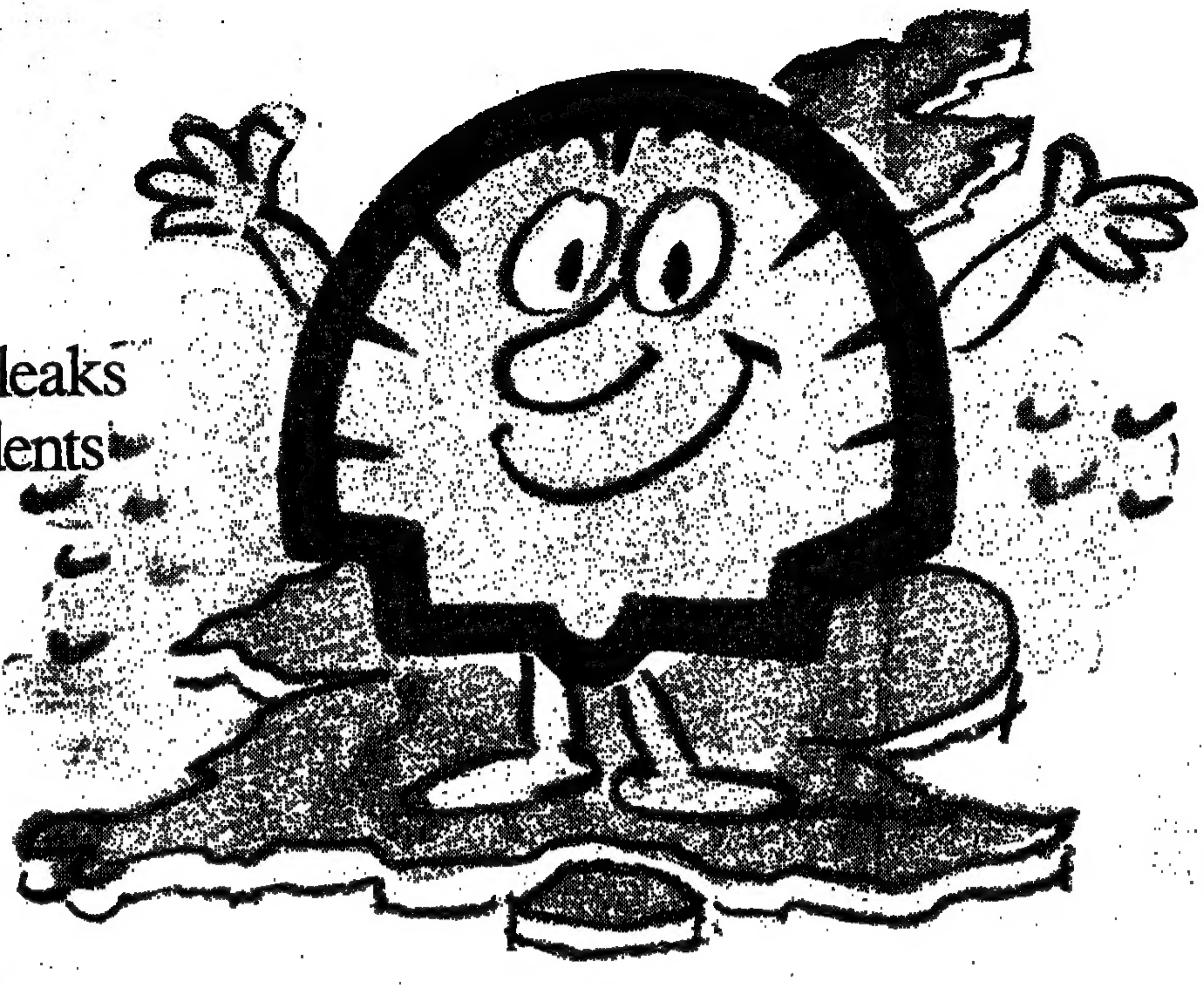
هكذا اصل الأصل



# Going Well!

## Some good news for Britain from Shell

Heat-eating fuel system • Cleaner waterways
The end of the wild oat • Lubricant that reduces leaks
North Sea Oil • Better mileage • Fewer road accidents

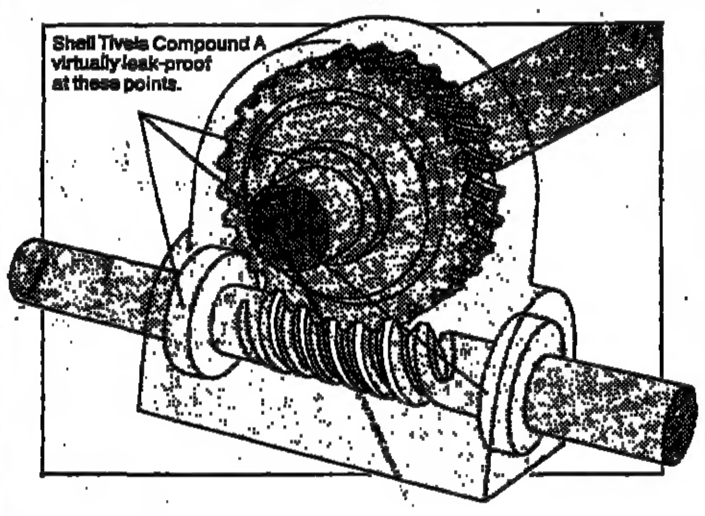


### A Britain self-sufficient in oil

Britain will be self-sufficient, and more, in oil by 1980. Much of this oil will come from fields discovered and operated by Shell. The North Sea, however, doesn't give up its oil easily. This 'Condeep' production platform is typical of the new super technology necessitated by the harsh conditions there. When in production, it will tower 810 feet high to the top of the drilling rig, will weigh 350,000 tons and will have cost £165 million.

'Condeep' production platform being towed to Brent field.

### Look! Lubricant that reduces leaks!

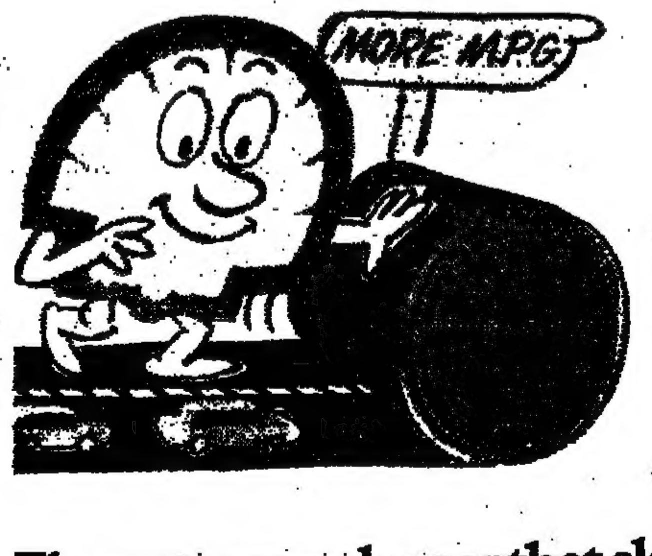



**Problem:** Hundreds of thousands of small gear boxes used in industry and in domestic machinery are designed to run with their lubricants 'sealed in for life'. However, in practice, these boxes often leak and their replacement or replenishment is expensive.

**Answer:** Shell Tivela Compound A, an ingenious 'oil/grease' which is fluid when in contact with spinning gear wheels but which forms a thick jelly where leaks could occur. It's one of tomorrow's lubricants here today.

### Quest for mileage

It makes even better economic sense to try to *save* a gallon of oil than to try to *find* one. Hence Shell's preoccupation with methods of *conserving* fuel. Shell scientists, in collaboration with the National Engineering Laboratory are researching a device which will help your engine run on a much weaker petrol/air mixture, which although it reduces performance, improves consumption figures and cleans up exhaust emissions.



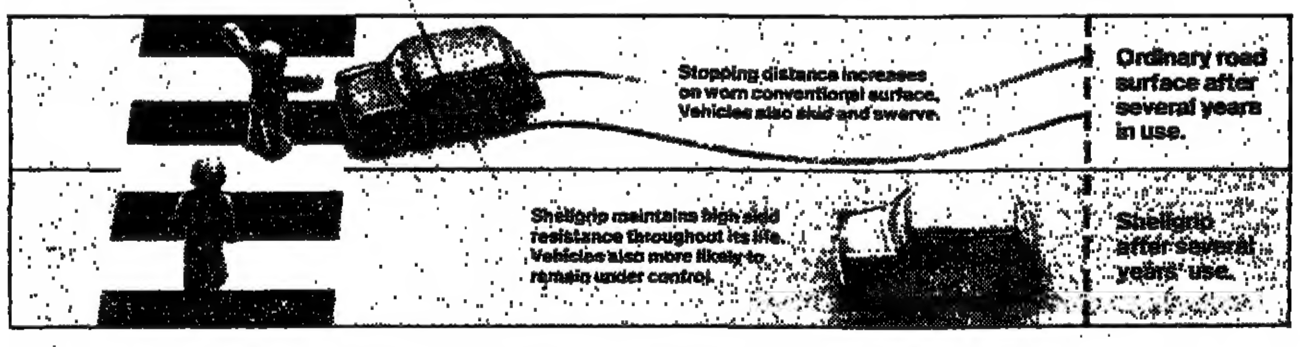

### Less wild oats in Britain's wheat

Wild oats in wheat are a problem for British farmers. But destroying one type of grass within another isn't easy. You have to find a weedkiller with a sense of choice. Shell developed Suffix at their Agricultural Centre, Sittingbourne. It sorts out the oats from the wheat.

After 600 trials in 30 countries – covering all the major wheat-growing areas – Suffix proved itself ruthlessly discriminating.

The virulent wild oat (*Avena ludoviciana Dur*) One wild oat plant can produce 200 – 2000 seeds which may lie dormant for six years and germinate from a depth of 20cm.

### Shell–pioneered road surface cuts accidents by half




70% of all accidents involving death or injury occur within 18 metres (20 yards) of road junctions. Here, continual hard braking and accelerating, polish road surfaces until they are lethally skid-prone. Shellgrip, abrasion-resistant bauxite embedded in a tough epoxy resin mat, is Shell's answer to this hazard.

In one dramatically telling experiment, Shellgrip was laid on five heavy traffic sites in London. After one year, reported accidents on these sites were down from 74 to 35.

Now, Shellgrip is being sold all over the world.

### The waterway cleaner that cleans up after itself

Our rivers, streams and canals are better off without unwanted weed. Now Shell have discovered a neat solution for Britain's beautiful waterways. It can be applied by waterway experts in both still and slow flowing water. Weedkiller is released at a slow rate which controls the weeds – and disperses without upsetting the environmental balance.

Aquatin New Shell Aquatin completely controls the weed downstream of point of application.

### Go *supersonic* – in comfort with Shell

The heat generated by friction as Concorde moves effortlessly through the stratosphere at twice the speed of sound could be uncomfortable for passengers without the ingenious 'heat-eating' fuel system Shell scientists have helped perfect. The system conducts heat away from the aircraft skin to the fuel tanks where it is efficiently absorbed.

**You can be sure of Shell**

HOME NEWS

# Chrysler chief blamed 'for 180-degree turn'

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE CLAIM that the Government had made a 180-degree turn in its negotiations on the Chrysler U.K. rescue was thrown back in the face of Mr. John Riccardo, the Chrysler Corporation chairman, yesterday.

In reply to a question in a House of Commons committee yesterday Sir Peter Carey, the senior civil servant attending the talks with Mr. Riccardo, said it was Chrysler that had made the 180-degree turn.

"The reason for saying that is that Mr. Riccardo had arrived in the U.K. with the firm intention of offloading Chrysler U.K. either in whole or in part," he said. Chrysler had eventually changed its mind, and agreed to retain its equity commitment to its U.K. subsidiary.

Mr. Riccardo's version of the events leading up to the rescue, widely regarded in the U.S. as a triumph for the American company, was given in Detroit last December. He said that the Government had done a volte face after several weeks' discussion of Chrysler's offer to make over the U.K. company to the State.

Under some rough questioning from the Commons Trade and Industry Sub-Committee members, who on several occasions castigated the Department of Industry team, claiming it had not provided sufficiently detailed information, Sir Peter said that Mr. Riccardo might not be the pre-eminent negotiator the Press made him out to be.

"But he is a very good negotiator and, naturally, plays his cards close to his chest. It seemed to us that he was in earnest about wishing to minimise his losses in the United Kingdom."

In a number of separate interchanges the committee showed its concern about the way in which the rescue of Chrysler would affect other British motor manufacturers, suggesting that if Chrysler was to survive it would have to take car sales away from its British competitors.

Mr. Pat Duffy, the committee chairman, pointed out that in its previous report the committee had said that Vauxhall was in a weak position in Britain.

## The limit

In reply, Sir Peter said that neither Vauxhall nor Ford had objected to what the Government had done in the case of Chrysler.

But he conceded that if Vauxhall came to the Government for aid, it would place the Department in a difficult position.

"There is a limit to the amount of money the Government can supply. It does not follow, because the Government have acted in this particular case, that they must necessarily do so in every other case." Asked pointedly if he could envisage Vauxhall not being helped in the way the Department had helped Chrysler, Sir Peter replied: "The answer is that I can envisage it."

Questioned on Chrysler U.K.'s important Iranian export deal, Sir Peter said that to have defaulted on an agreement of such importance could have affected future agreements with Iran. But he dismissed reports that threats had been posed by the Iranian Government to persuade the Government to aid Chrysler.

The contract, he said, was not renewable on an annual basis, as had been suggested in some reports. It would run through to 1980. There were penalty clauses only in the event of default, and he considered that it would remain a significant element in Chrysler's business for the next five years.

Sir Peter also revealed that although the Government had talked with other British car manufacturers about the possibility of parts of Chrysler being taken over, no company was interested in taking over more than one or two isolated parts of Chrysler.

At the time of the discussions the National Enterprise Board was about tosta rt operating and was not in a position to assume responsibility for Chrysler, he said.

In these circumstances the Government had decided that it would be unreasonable to press the Board against its judgment to handle the Chrysler situation or try to cary out an amalgamation of parts of Chrysler with British Leyland.

# Colour TV deliveries likely to be down 27% last year

BY LORNE BARLING, INDUSTRIAL STAFF

DELIVERIES OF colour television sets to U.K. distributors totalled 1.6m. last year—1.32m. produced at home and about 270,000 imported, according to an industry estimate.

In 1974, sales amounted to 2.2m. sets.

The estimates can now be made accurately with the use of figures for November, which showed that total deliveries during the month were 123,000—down 32 per cent. on November, 1974.

The British Radio Equipment Manufacturers' Association puts the total for the 11 months at 1.4m.—a fall of 30 per cent. on 1974.

Deliveries of monochrome sets rose by 31 per cent. in November to 98,000, bringing the year's total to 871,000. This is a 13 per cent. increase and reflects trading-down by customers in view of economic conditions.

Thorn, which yesterday announced profits of £70.1m. for the six months to September 30, estimates that colour television deliveries for this year are likely to be as low as 1.4m.

The company denied reports that the rental share of the colour television market had dropped from 70 per cent. in 1973 to 50 per cent. in 1975.

"It must be remembered that abnormal cash spending in April 1975, in advance of the 25 per cent. VAT, distorted the position and the uncertainties that existed on the VAT rate on rental contracts that continued through the May to July period also had an adverse effect.

"Thorn believes that in the period since the summer the share of the market being taken by rental has returned to a level in excess of 60 per cent."

The year as a whole has not been a good one for rental companies, which agree that the confusion about whether existing hirers should pay 8 per cent. or 25 per cent. VAT was extremely damaging.

It is admitted by some that the ratio of sales to rentals over the year could be 50-50.

COLOUR TV DELIVERIES
(U.K.-made in brackets)

| | 1974 | 1975 |
|---|---|---|
| August | 148 (120) | 94 (79) |
| September | 153 (140) | 142 (121) |
| October | 225 (200) | 154 (121) |
| November | 181 (144) | 123 (*) |
| December | 162 (135) | |
| Total | 2,208 (1,772) | |

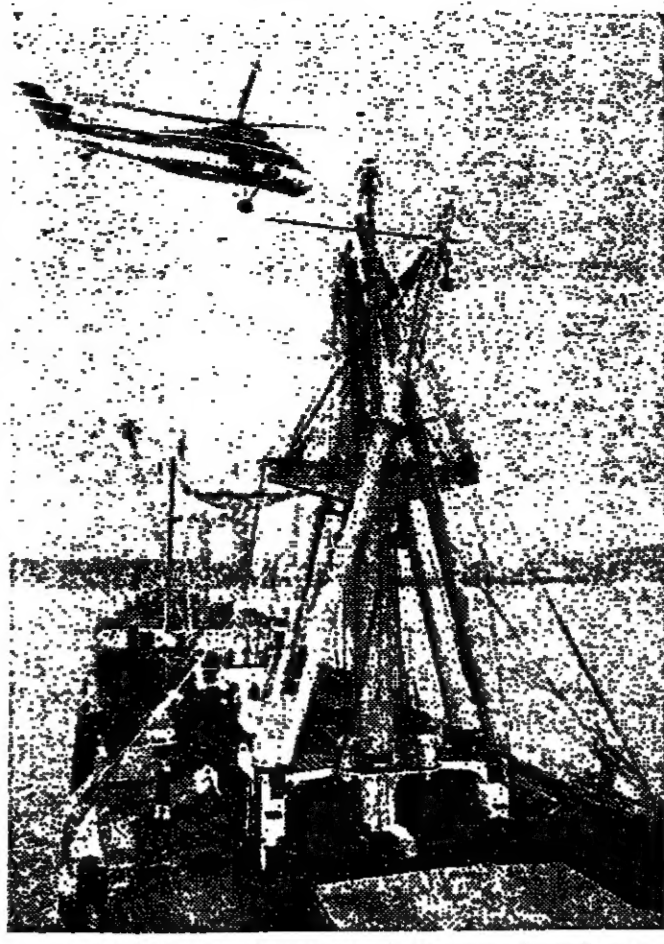
* not available
Source: BREMA.

Despite fears about increasing sales of Japanese and other foreign-made sets, imports are expected to take 17 per cent. of the market in 1975 compared to 20 per cent. in 1974. The greater reliability of sets, particularly some imported models, is known to have influenced sales rather than rentals, though.

Pilkington Brothers has announced that its Ravenshead colour television tube plant will close on February 27, a month earlier than planned, because of the closure of Thorn Electrical Industries' plant at Skelmersdale.

The company said it hoped to find jobs for 280 Ravenshead workers at factories within the group. The rest of the 750 workforce have already been made redundant or redeployed.





AN EXPERIMENT to discover if unloading ships by helicopter is a commercial proposition has been made by British and Commonwealth Shipping and its subsidiary, Bristow Helicopters.

With congestion a major problem at many ports throughout Africa and the Middle East, British and Commonwealth believes that there is considerable scope for helicopters.

Various types of cargo were lifted off the vessel Clan Macnair while she was at anchor in the Clyde and the results of the experiment have convinced B and C that helicopters are a practical proposition.

Helicopters are more expensive than conventional means of cargo handling and the company admits that an efficient scheme would cost about 50 per cent. more than conventional unloading methods. The extra cost, however, would often be willingly borne by countries eager to get goods ashore.

Large helicopters can lift eight tonnes and a charter group of three could lift 2,000 tonnes of cargo from a ship in a day.

Apart from a landing area, little adaptation to existing dock facilities would be necessary and a full range of cargo, from cement through machinery to fruit and vegetables could be handled.

Several Middle Eastern countries have expressed a strong interest in helicopter charter.

# Economic squeeze affects saving

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

BY W KEEGAN ECON CORES
BRITISH consumers are thought to be saving less in order to maintain their living standards.

Squeezed by the combination of continually rising prices during a period of incomes policy, the average household appears to be offsetting the effect of a decline in real income by saving less in order to pay the bills.

The full story has yet to show up in the detailed national income figures, which so far only go up to the third quarter of 1975.

For most of last year the significant development was the very high level of savings, with the fears and uncertainty associated with unemployment more than outweighing the feeling that, in an inflationary age, it was better to spend sooner rather than later.

But it is now clear that in the fourth quarter of 1975 a marked decline in real disposable incomes was accompanied by only a marginal drop in consumer spending.

Figures released by the Central Statistical Office yesterday show that, according to preliminary estimates, consumer spending in the fourth quarter hardly changed at all in volume terms.

At £8.79bn. (seasonally adjusted, 1970 prices) the volume estimate for the fourth quarter is only 0.3 per cent. down on the third quarter, and is largely accounted for by a fall of over 10 per cent. in consumers' expenditure on cars.

The car figures were affected not only by the boost to sales in the third quarter resulting from British Leyland's "Superdeal" promotional campaign, but also by the well-known production difficulties and low level of domestic car stocks in the fourth quarter.

Apart from this, there was little change in the overall figures. It is known, from statistics earlier this week, that retail sales recovered a little in the fourth quarter while still being some 5 per cent. down on fourth quarter 1974. The CSO stated yesterday, that apart from retail sales and cars "Other areas of expenditure have remained fairly constant, modest increases in fuel and light being offset by reductions in expenditure on some services."

It is believed that one of the categories of expenditure under the "services" head where there was a fall in the fourth quarter was private education—tentatively indicating that the pressures on the middle classes of maintaining such expenditure were taking their toll.

The degree, however, to which expenditure on housing and services in a modern economy may be less flexible than spending in the shops is apparent from the fact that in 1975 as a whole, the level of all consumers' expenditure is estimated to have dropped only 0.3 per cent. below 1974 levels, compared to a 2 per cent. reduction in the volume of retail sales.

## £3m. extension to hotel

By Peter Cartwright, Midlands Correspondent

A £3M. EXTENSION to the Albany Hotel is Birmingham's latest addition to amenities to cater for those using the National Exhibition Centre, which opens next month.

Facilities include conference rooms to seat up to 630 and fitted with closed circuit TV, multi-lingual translation aids and audio-visual aids. There are also banqueting rooms, the largest catering for 530.

Recreational facilities, to be ready in spring, include a sauna and swimming pool.

The Albany is part of the Strand Hotels group.

## SNOW REPORTS

| | Depth (cms) L | Depth (cms) U | State of Piste | Weather | °C |
|---|---|---|---|---|---|
| Champery | 20 | 80 | Good | Fine | 4 |
| Davos | 90 | 175 | Good | Snow | −2 |
| Kitzbuehel | 30 | 160 | Good | Snow | 0 |
| St. Moritz | 40 | 70 | Fair | Cloud | −3 |
| Saas Fee | 16 | 55 | Fair | Fair | −5 |
| Seefeld | 30 | 110 | Good | Snow | 2 |
| Val d'Isere | 25 | 20 | Good | Fair | −1 |
| Villars | 15 | 65 | Good | Snow | 1 |
| Wengen | 55 | 90 | Good | Fine | 0 |
| Zurs/Lech | 136 | 150 | Good | Snow | −4 |

In the above reports, supplied by representatives of the Ski Club of Great Britain, L refers to lower slopes and U to upper slopes.

NORWAY

| | | | | | |
|---|---|---|---|---|---|
| Finse | 210 | 240 | Good | — | −10 |
| Lillehammer | 30 | 51 | Good | — | −5 |
| Oslo | 25 | 50 | Good | — | −2 |
| Voss | 120 | 150 | Good | — | −6 |

FRANCE

| | | | | | |
|---|---|---|---|---|---|
| Chamonix | 5 | 50 | Hard | Sunny | — |
| St. Gervais | 20 | 50 | Hard | Cloud | — |

AUSTRIA

| | | | | | |
|---|---|---|---|---|---|
| Alpbach | 20 | 100 | Good | — | 2 |
| Carnellen | 110 | 150 | Good | — | −3 |
| Ischgl | 50 | 110 | Good | — | 0 |

SCOTLAND

Cairngorm: Main runs and lower slopes—None complete. Snow cover patchy. New snow, drifting badly.

Glenshee: Main runs—A few complete but narrow. Others broken. New snow drifting. Lower slopes—limited nursery areas. Snow level 2,000 feet.

Glencoe: Very little snow.

# Herbert makes progress with re-organisation

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

MR. JOHN BUCKLEY, chairman of Alfred Herbert, said last night that he was "very pleased at the rate of progress" being made in the re-organisation of the machine tool group, which become state-owned after a £26m. cash injection by the Government last month.

Mr. Buckley said that Herbert, which lost £14.5m. in the four years to last October, would be profitable again, but "I am not saying when."

He announced that the group had found a new managing director for its largest machine tool plant—at Edgwick, Coventry.

Mr. Alec J. Sanders, 47, until recently director of manufacturing staffs and production engineering at Leyland Cars, will take up his new post on February 2.

Mr. Sanders will be responsible for all machine tool operations at Edgwick and at the Red Lane plant, which has about half its work done at Edgwick. He will report directly to Mr. Walter Lees, Herbert's new chief executive.

The slimming down of the Hebert workforce has also been going ahead smoothly.

The plan was to scale down by 900 staff and 300 indirect workers by the end of this month to leave Herbert wtih 5,700 employees.

Mr. Buckley said that the total was down to "well under 6,000" and, as envisaged when the scheme was proposed, Herbert had been able to keep all its skilled people.

Herbert is still a sizeable element in the machine tool sector—although no longer the biggest manufacturer—and is suffering as much as any other company from the recession, which has left the industry with the worst flow of orders in living memory.

# No hope left of finding Berge Istra survivors

FINANCIAL TIMES REPORTER

ALL HOPE of finding further survivors from the missing Norwegian supertanker Berge Istra has been lost, according to the owners, Sigval Bergesen.

The company said yesterday that another of its vessels, the Marshall Clark, had picked up debris in the same area of the Pacific where the two Spanish survivors were found.

The wreckage undoubtedly originated from the Berge Istra and included a float from a lifeboat, part of a liferaft and containers with medicine, food and fresh water.

Fay Gjester, in Oslo, writes: All life-rafts and lifeboats on Sigval Bergeson ships are to be equipped with emergency location transmitters—radio sets that send a continuous signal enabling aircraft or ships to locate them.

If the raft with survivors from the Berge Istra had been fitted with such a transmitter it would probably have been found much sooner.

# Shipbuilding identities will stay after State takeover

BY JOHN WYLES, SHIPPING CORRESPONDENT

MOST OF Britain's well-established shipbuilding names will be retained as trading identities after they have been nationalised and put under the control of British Shipbuilders, the proposed State-owned corporation which will run the industry.

This is one of several assurances given to a number of companies visited over the past two weeks visited by the three-man organising committee of British Shipbuilders.

Between now and early April the committee will spend much of its time touring the main shipbuilding, shiprepairing and marine engineering concerns which will be taken into public ownership.

The assurance on trading names runs counter to virtually all precedent.

Most nationalised corporations, from British Steel to British Gas, have rapidly eliminated the private enterprise identities of their units.

The decision to retain most names in shipbuilding stems from a recognition of their marketing value.

At the north-east yards visited last week, members of the committee—Admiral Sir Anthony Griffin, chairman; Mr. Ken Griffin, deputy chairman; and Mr. J. Graham Day, British Shipbuilders chief executive—are being credited with an awareness of the delicate customer relations, which are the basis of many yards' order books.

Successful companies such as Austin and Pickersgill and the naval shipbuilders Vickers, Vosper Thornycroft and Yarrow have well-established reputations in export markets which could b[e] obscured by a change of name.

During its visits the committe[e] is also trying to impress on ma[n]agement and trade union repr[e]sentatives that it is not aiming [to] create a centralised bureaucrac[y].

This assurance will be welcom[ed] to leading shipbuilding manage[rs] who are pressing strongly fo[r] local autonomy to be maintaine[d].

However, the committee i[s] making it clear that the degre[e] of interference from the centr[e] will ultimately depend on perfo[r]mance and that the least succes[s]ful cannot expect a quit life.

During its travels the com[]mittee will also consider th[e] merits of certain areas as hea[d]quarters of British Shipbuilder[s] after vesting day in autumn.

The centre is bound to be i[n] the North, with Newcastle, Ma[n]chester, Sheffield, and possibl[y] Glasgow on the short list.

# Bass, Allied raise beer prices again

By Kenneth Gooding

BRITAIN's two biggest brewing groups are to lead the way with a new round of beer price increases next week. But Watney, fourth in the brewing league table, has postponed a proposed increase on part of its range because of problems with the Price Commission.

Bass Charrington, which has more than 10,000 outlets, will add 1p a pint to draught Worthington E and to some local draught bitters in its managed pubs on Monday. Beers sold in cans and quarter-litre bottles also go up 1p.

Allied Breweries, its main rival with more than 9,000 outlets, said last night that it was still waiting to hear from the Price Commission about its latest application and therefore was not willing to go into details. But the group can be expected to follow hard on the heels of Bass with minor price rises.

## Shelved

Watney, part of the Grand Metropolitan group, was hoping to put up the price of some of its beers in the middle of this month, but ran into technical difficulties with the Price Commission.

"The decision was inconsistent with previous rulings of the Commission," Watney said.

The company has decided to shelve its application and add the proposed increases to a fresh application which it hopes to clear by the middle of next month.

This is another indication that the brewers will continue to make regular price increases while inflation rages and costs continue to soar.

So far the steep rise in prices has not hit the volume of beer sales—thanks to a very good summer, production last year should have topped the 38.5m. bulk barrels rolled out in 1974—but has led to considerable "trading down" to less expensive beers. This has an impact on profit margins.

# U.K. industry profits fall short by £8bn.

BY MICHAEL BLANDEN

INDUSTRY'S profits from U.K.-based activities are running at a rate nearly £8bn. less than they should be, according to an analysis prepared by stockbrokers W. Greenwell and Co.

This estimate is based on an examination of the main uses for which profits are required—to provide funds to replace fixed assets and stocks, for servicing debts, for a full contribution to the Exchequer, for an extra gain in productivity and for a positive dividend return on the savings invested in companies.

Comparing the sums needed for these purposes with profits before depreciation, interest and tax earned by U.K. industrial and commercial companies on U.K.-based activities in 1975, the analysis concludes that they are below what is needed by an amount equivalent to just under 9 per cent. of gross domestic product. The shortfall figure of £8bn. is cyclically adjusted, allowing for the recession, and occurs in spite of the estimate that 1975 profits at £12.75bn. were slightly higher than in 1974.

A drop in inflation would help the situation, the brokers comment, but on current expectations most of the correction would still have to come fro[m] other factors. Some of th[e] adjustment, they argue, shoul[d] be made through higher price[s] and modifications of the pric[e] code would be necessary.

"A start must be made," th[e] commentary says, "towar[ds] restoring a realistic relationsh[ip] between costs and prices in th[e] company sector as a foundati[on] for improvements in livi[ng] standards and for control of infl[a]tion and deficits—both in th[e] balance of payments and th[e] public sector."

Short-term action shou[ld] include adoption of Sandilan[ds] inflation accounting principl[es] for price control and eliminati[on] of the productivity deducti[on] from price control. At the sam[e] time, the price code's unit co[st] basis should be changed so th[at] benefits from increases in th[e] volume of activity are allow[ed] to accrue to profit and not pass[ed] on to consumers through low[er] prices.

It is suggested that somethi[ng] approaching £2bn. of the sho[rt]fall could be recouped in the[se] ways, though most of the adju[st]ment would still need to [be] achieved through cost conta[in]ment or reduction.

# South-West water to cost more

FINANCIAL TIMES REPORTER

HOUSEHOLDERS in the South-West will have to pay an extra 23 per cent. for water from April 1—an average increase of 7p a week.

The general service charge levied on homes connected to the public sewers will go up by just under 23 per cent.—equal to an additional 12p a week for the average family.

The increases were announce[d] yesterday at the budget meeti[ng] of the South-West Water Auth[o]rity and reflect the effects [of] the recent House of Lords rulir[g] that sewerage charges shou[ld] not be levied on people who[se] properties are not connected [to] main sewers.

# Haw Par director resigns

HAW PAR Brothers International has accepted the resignation of Mr. Robert Booker as company director after a Board meeting.

A letter from the company to the Singapore Stock Exchange gave no further information.

Mr. Booker acted as non-executive chairman of Haw Par between the resignation of former chairman, Mr. James Gammell in July and the appointment of Mr. Michael Fam in November.
Reuter

HOME NEWS

# Defective fan blamed for Houghton pit disaster

BY DAVID FISHLOCK, SCIENCE EDITOR

A DEFECTIVE 50 h.p. ventilation fan was the probable cause of the explosion at Houghton Main Colliery near Barnsley last June, in which five mine workers lost their lives.

The official report by the Health and Safety Executive is very critical of supervision at the pit and recommends a dozen changes in mining safety law and improvements in the safety practice of the National Coal Board.

In his report, published yesterday, following the nine-day public inquiry last August, Mr. James Carver, chief inspector of mines and quarries, concludes that the explosion was caused by *ignition of firedamp (natural gas)* in a return development heading which was not being worked and which had been unventilated for the nine days before the accident.

He finds it impossible to say whether the explosion was also fuelled by coal dust, but adds that if it was caused by firedamp alone it highlights the severity of the problem and the need to provide constant ventilation in narrow drivages. From the presumed point of ignition, the flame travelled well over half-a-mile through the mine.

His third and final conclusion is that the most likely cause of ignition was sparking from friction between the impeller and casing of a Carter Howden auxiliary fan, which was known to be defective and had been shedding "fiery and orange" sparks nine days before, when it was promptly shut down.

The chief mines inspector rejects an NCB submission that ignition might have occurred somewhere else in the mine, possibly through an electrical fault. He believes that the fan was switched on again, unrepaired, in an atmosphere laden with firedamp.

He said in Barnsley yesterday that there was no explanation why 16 men had known about the faulty fan and none had reported it to the pit manager.

The Houghton Main Colliery is one of 18 producing mines in the Barnsley area, and was employing 1,191 men underground when the explosion occurred. Five were killed in the explosion—two deputies, two electricians and a pumpman—and one fitter was seriously injured. Three men died from carbon monoxide poisoning.

No evidence was found on the victims that "contraband" such as matches might have caused the explosion.

But the report reveals a history of development problems with a new auxiliary fan designed by James Howden and Co. in 1971, and manufactured by a subsidiary, Carter Howden.

Ten months before the accident, at a meeting at Barnsley which discussed the failure of a fan because its impeller was rubbing against the inlet cone, it was concluded that it would be impractical to return all such fans in the Barnsley areas to the manufacturer for modification. The decision was taken to modify fans as and when they were received for overhaul at the area workshops to a design prepared by the workshop staff.

But the chief ventilation engineer of the NCB was not informed of the fan defects either in the Barnsley area or, previously, in South Wales.

Mr. Carver observes that, as the public inquiry progressed, he saw an urgent need for an expert review of the design and operation of auxiliary fans, and of other factors relevant to the ventilation of narrow drivages

The view of the Health and Safety Commission is that the report's recommendations are "numerous, complex and interdependent," and that there should be full consultation with the industry about implementation through the Coal Industry National Consultative Council.

Mr. John Locke, director-general of the Health and Safety Executive, the commission's executive arm, said yesterday that he was taking legal advice on whether either the NCB or any of its employees were in breach of their statutory obligations.

The NCB said that its mining committee accepted the findings of the report.

*Report on Explosion at Houghton Main Colliery. Yorkshire, June 1975. S.O.; £1.*

# Day of the company hatchet-man is here

A REPORT by Robert Lee International, a leading manpower consultancy, says the company "hatchet man" is the new job for 1976.

An imported senior executive on anything up to £15,000 a year and perhaps a three-year contract, he is charged with cutting the number of jobs and saving costs running to millions of pounds a year.

He usually has no previous company links and no career prospects to worry about.

"He must be strong enough to stamp his authority on subordinate managing directors, yet sensitive enough to handle the industrial relations implications of his task. It is certainly not a job for a 'butcher'" said Mr. Robert Arkle, chairman of Robert Lee.

The report suggests that executive unemployment will continue to rise this year, but presents one bright note—much less reluctance to hire over-45s.

"The whizz-kid image is rather tarnished in some areas. Stability is more highly regarded—as is the greater facility with which the older man can be fitted into existing salary structures," said Mr. Arkle.

# Campaign against closing London docks grows

BY JOHN WYLES, SHIPPING CORRESPONDENT

A STRONG WARNING was issued yesterday that the Port of London Authority's plan to close the India and Millwall Docks later this year would jeopardise 3,000 to 4,000 jobs in London Borough of Tower Hamlets.

Local organisations based on the Tower Hamlets Action Committee on Jobs, trades councils and the Joint Docklands Action Group, are mounting a campaign against the closure, starting with deputations to meet the area's Labour MPs, Mr. Peter Shore (Stepney and Poplar) and Mr. Ian Mikardo (Bethnal Green and Bow).

In a joint statement yesterday the organisations said that the PLA's decision would "irreparably damage the economy of a large part of London." Moving the India and Millwall traffic to the Royal Group would put at risk up to 4,000 non-docker jobs in the Tower Hamlets area, which already had a 13 per cent. unemployment rate, said the protesters.

# Bank consortia not to grant loan delay for Colocotronis

BY STEWART FLEMING AND JOHN WYLES

NONE OF the Colocotronis shipping group companies has been granted a moratorium of either interest or capital repayments on loans from the merchant bank Brandts or the lending syndicates it manages.

Brandts, a subsidiary of Grindlays Bank, said yesterday that it and syndicates it manages had loans of approximately $33m. outstanding to Colocotronis shipping companies. The income from the ships against which the loans were secured was "sufficient to service the debts." It had been "externally assured" that the value of the assets against which the loans were secured, free of charter, was $40m.

The Brandts' statement underlines the complexity of ship finance and, in particular, the contrast with the bank financing of conventional trading companies organised around a central holding company.

In the case of the Colocotronis shipping interests, about half a dozen banking syndicates have advanced about $320m., but the position of each syndicate, and each bank within the various syndicates, can differ, depending on the strength of the security it has taken against its loans.

Brandts pointed out that it had made advances of about $8.5m. to Colocotronis companies. It also manages a syndicated loan of $20m. and Export Credits Guarantee Department financing of £2.3m.

The lending was secured on three small tankers, two refrigerated dry cargo ships and five standard dry-cargo ships. There was no involvement in the German syndicates which financed the two Ultra Large Crude Carriers, one of which is already unchartered and the other shortly to come to the end of its charter.

Last week the Colocotronis group said that it had reached agreement with its principal bankers for a restructuring of its lending.

The proposals involved about 50 European and American banks who had advanced money to Colocotronis shipping companies. Among the principal bankers to the companies are the Deutsche Schiffahrtsbank of Bremen and the European-American Bank.

A new statement by the Deutsche Schiffahrtsbank confirmed that the main consortia involved in loans to Colocotronis had agreed to help the company's liquidity problems by deferring repayments.

In spite of the tanker crisis, Colocotronis had maintained repayments right up to the end of last year and its own creditor dealings with the group had not been any larger than it would normally have in a 14-member consortium.

This Schiffahrtsbank consortium has provide $130m. of the $320 According to the ba than half of this was for the two ULCCs balance was finance for vessels—probably gene carriers—which the b are operating at a prof

Although the Col fleet apart from the seen by the banks as sound, an importan apparently inhibiting t group's ability to rais loans is the fairly low a of most of its ships.

While less than 20 pe the 50-vessel fleet is because of lack of wor those which are at se sufficiently profitable t loan repayments.

# British Mic leases Boei

BRITISH MIDLAND A Castle Donington, D has leased two more Bo from an American com Pakistan International for an initial period months for £500,000.

In nine months sinc Midland went into leasing with Boeing 70 done £6m.-worth of bus has aircraft in serv Syrian Arab Airli Malaysian Airlines.

# Builder 'gave house to councillor'

A FORMER chairman of Durham County Council received benefits worth £8,800, including a house and a car, from a builder, a jury at Teesside Crown Court was told yesterday.

Mr. Peter Taylor, QC, prosecuting, said that Mr. Sydney Docking, aged 65, moved into his house in Chester-le-Street, Co. Durham, in May, 1966.

"He never put his hand in his pocket at all for his house. It all came from McCullough's. They built it and they paid for it," he alleged.

Jointly charged with Mr. Docking are Mr. Sidney McCullough, aged 53, a builder from Tynemouth; Mr. Andrew Cunningham, aged 65, another former chairman of Durham County Council; Mr. Robert Urwin, aged 62, former chairman of Chester-le-Street Council; and Mr. Matthew Allon, aged 72, former chairman of the North-East Development Council.

All five deny conspiring together that Mr. McCullough should corruptly make and that the other four should corruptly receive payments for showing favour to Mr. McCullough or companies with which he was associated in relation to planning applications and consents.

Mr. Taylor said that in 1971, Mr. Docking wrote to his building society, asking what was needed to pay off the mortgage. Later McCullough's sent a cheque to the society for £2,484 in full repayment.

When interviewed by police, Mr. Docking said his salary from one of McCullough's companies was being forfeited to pay for the house. Mr. Docking also got a Vauxhall Viva from McCullough's, said Mr. Taylor. It was paid for by deductions from Mr. Docking's loan account with the firm.

Mr. Taylor said that Mr. Allon received free petrol, the use of a McCullough company car, and also had some work done at his house.

There was an arrangement with the Vigo Lane service station at Birtley, Tyne and Wear, whereby "employees and others driving under the McCullough flag" could obtain petrol without payment by signing for it.

"Mr. Allon started going to the petrol station and getting petrol on the McCullough account; but when it came to signing for it, this county councillor signed in the name of Potts, and when the accounts were put in each month there was never any query about who Potts was.

"Allon sometimes forgot what name he was using to sign the accounts, and would ask the garage attendants. He would be told Potts—and would sign Potts.

"What on earth do you make of that? What is a county councillor doing signing bills in another name?" Mr. Taylor asked the jury.

Mr. Taylor said that Mr. Cunningham's bungalow was built by McCullough and sold to him for £3,695.

It was built on much the best site on the estate and when Mr. Cunningham moved in he immediately insured it for £7,500.

# Development land tax 'would prolong slump'

THE PROPOSED development land tax would inflate house prices and worsen job prospects for construction workers, according to the Incorporated Society of Valuers and Auctioneers.

It would also prolong the slump in other sectors of industry, Mr. Vivian Linacre, society spokesman, said yesterday.

If the Government went ahead with the tax, liability should be postponed until land was disposed of, he said.

The problems of financing development land tax would discourage people from bringing land onto the market for development.

"A fundamental, non-partisan review of the whole taxation structure should precede the introduction of any further piecemeal measures.

"There is no coherent system or policy and the forthcoming bill is merely one among a welter of new legislation to superimpose on the existing hotch-potch."

The proposed measures would delay any large-scale resumption of activity in commercial or industrial property development.

# Tuition for pension scheme trustees

BY CHRISTOPHER HILL

THE FIRST audio-visual course in pension scheme trusteeship has been prepared by Metropolitan Pensions Association, the firm of employee benefit consultants. It is a one-day course including films and linked sound lectures with discussion periods afterwards.

MPA is prepared to offer the course to companies at their offices for a fee of approximately £400 (based on a maximum of 40 people) and also plans to hold open courses where companies can send representatives. The fee for the latter would be £40 per head.

The motive behind this new course is that companies are under increasing pressure to appoint employee trustees to their pension schemes and several companies have already anticipated legislation in this respect. One problem is that the prospective new trustees may have little knowledge about their duties and the course is designed to give them a background of the accounting, legal and actuarial work which might be involved.

# Draft rules for invalid care

THE NATIONAL Insurance Advisory Committee has been asked by Mrs. Barbara Castle, Secretary for Social Services, to report on draft regulations for invalid care allowances—the benefit of £7.90 a week which the Government plans to introduce during 1976-77 for people who care for severely disabled relatives.

The new benefit—announced *in September, 1974—is created* by the Social Security Act, 1975. These draft regulations complete the entitlement conditions for the allowance.

The regulations list a wide range of relatives for whom invalid care allowance may be obtained. The circumstances in which increases of the allowance may be paid for child or adult dependants are also prescribed. The committee will consider representations on the draft *regulations if received before* February 21.

WOULD not be beyond ingenuity to replace the of the discount houses; but are there, they are doing work effectively, and they doing it at a trifling cost rms of labour and other resources."

ce the Radcliffe Committee this assessment of the of the discount houses 16 years ago there have major changes in the oper- of money markets, in which are a central element. The luction of the new policy mpetition and Credit Con- in 1971, in particular, ht developments in the lel money markets—out- the traditional short-term ments in which the dis- houses had dealt—and in st rates and gilt-edged ties which radically ed the operations of the mpanies which now form Discount Market Associ-

## elationships

they have emerged, after trying experiences, per- een stronger than before. special position in the ts, based on their relation- with the Bank of England with the big clearing has been reaffirmed. role as a safe outlet for short term funds has trengthened in the search eliable outlets after the a of the secondary bank- ollapses. And there have signs of a more active ach among the discount themselves towards the opment of new business

**Michael Blanden** on the way one money market sector has coped with the changes of recent years

# New strength in the discount house

within their traditional areas of activity.

These companies make their living by borrowing money on very short-term, mainly from the big clearing banks, and investing it in a number of specialised short-term outlets including Government Treasury bills and other instruments. In relation to the size of their own capital, their commitments are on a very large scale. But their vital function in the money markets enables them to provide unequalled security for the funds deposited with them and makes them a safe outlet for any spare cash which the big banks have available for investment at call or overnight.

The discount houses' unique position in the London market is based on understandings and connections which have grown up over a period of years. Central to their role is the understanding that they are the only organisations to which the Bank of England will provide lender-of-last-resort facilities. The discount houses, when they come to balance their books at the end of each day, can always go to the Bank for loans (at the Bank's minimum lending rate or above—in previous days, the Bank rate) or for assistance in other ways through loans at market rates or by re-discounting bills with the Bank.

### DISCOUNT HOUSES' ASSETS (£m.)

(at December 31 each year)

| | | STERLING | | | | | | OTHER CURRENCY | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Brit. Govn. Stock | Brit. Govn. Treas. Bills | Other Public Sector Bills | Other Bills | Local Auth. Sec. | Certs of Deposit | Other Assets | U.S.$ Certs. of Deposits | Other Assets* |
| 1970 | 2,352 | 160 | 876 | 115 | 582 | 224 | 248 | 88 | 39 | — |
| 1971 | 3,066 | 391 | 871 | 120 | 466 | 478 | 457 | 175 | 108 | — |
| 1972 | 2,618 | 112 | 475 | 116 | 449 | 636 | 458 | 219 | 153 | — |
| 1973 | 2,622 | 48 | 321 | 94 | 590 | 379 | 922 | 139 | 113 | 16 |
| 1974 | 3,026 | 10 | 729 | 181 | 1,189 | 344 | 395 | 83 | 86 | 9 |
| 1975† | 2,814 | 95 | 819 | 197 | 783 | 316 | 303 | 157 | 129 | 15 |

*Before August, 1973, other assets in other currencies were under the heading Other Assets in Sterling.*
*† mid-December.*

Source: Bank of England

There is no very obvious reason why this necessary function should not be carried out by the Central Bank, as in other countries, working directly with the big commercial banks. But the Bank of England has consistently defended the position of the discount houses as an intermediary in the markets. The counterpart of this special relationship is that the discount houses have absolutely undoubted status as borrowers in the money markets. The Bank keeps a very close eye on the condition of their investments and the type of bills and stocks they are holding, sampling their books regularly. And, as became clear last year when the market was going through difficult times, the Bank is prepared to stand up and say openly that the discount houses would in no circumstances fail to meet their commitments.

The Bank also takes a close interest in the ownership of the discount houses. It would not, for example, be likely to allow control of any house to pass to a clearing or other commercial bank, destroying the independence essential to their special role in the money markets. And the sale last year of Sime Darby's majority stake in Clive Discount following the build-up of foreign shareholdings in the parent company underlined the Bank's feeling that it prefers control to be in U.K. hands.

The discount houses' special position was confirmed when the Bank brought in the Competition and Credit Control policy in 1971. The banks were required to keep a minimum of 12½ per cent. of their deposits, on a basis defined by the authorities, in the form of reserve assets. These included, specifically, the Treasury bills and other bills eligible for rediscount at the Bank which form a major part of the discount market's investments; and they included money invested at call with the discount market.

In effect, this ensured that the role of the discount market as the main outlet for the spare liquidity of the big banks — providing in turn the main source of finance for the discount houses — was built into the new system. However, in return the discount houses undertook a couple of important commitments.

First, they agreed that they would ensure that their bids at the weekly tender would always cover the amount of Treasury bills being offered by the Bank —though in deference to the new spirit of competition they dropped the old arrangements under which their bid was on an agreed "syndicated" basis.

This is no particular hardship. Treasury bills are one of the main sources of income for the discount houses, though they can lose money on them when interest rates rise and their margins are eroded or eliminated by an increase in the cost of their borrowed money until their holdings of the bills—normally running for three months—are run off. And there is an understanding that the clearing banks, though active bidders for Treasury bills on behalf of their clients, do not bid for themselves but buy what they need from the discount market. While not perhaps vital to the working of the monetary system, this has been useful in recent months when the high Government borrowing requirement has brought exceptionally large issues of Treasury bills.

Second, the discount houses undertook to keep at least 50 per cent. of their funds in public-sector debt, an obligation which has proved more troublesome. It produced a large build-up in the discount market's holdings of gilt-edged securities, with the average length of the stocks held also being considerably extended. The new system was coupled with the much greater flexibility in interest rates implied by the official policy, which relied much more than in the past on changes in rates to govern monetary affairs. The change was made manifest in the announcement which accompanied the first news of Competition and Credit Control—that the Government broker would no longer automatically be available to mop up surplus stocks with more than a year to run to maturity.

The implications of the new policy appear to have taken some time to sink in. On the one hand, the authorities tried to disabuse the discount houses of the view that they should regard themselves as the main market-makers in short-term gilt-edged stocks. And on the other, the discount houses felt that the Bank had not itself fully understood the significance of the changes.

Things came to a head in the summer of 1973. The requirement that discount houses hold half their funds in public sector debt was replaced by a limit on the holdings of private sector investments, and this enabled the market to cut back its gilt-edged holdings. Shortly afterwards, however, came a very sharp rise in interest rates engineered by the authorities. Though the impact varied between the individual houses, the overall result was some very large losses on sales of gilt-edged stocks which, it has been estimated, virtually eliminated the inner reserves held by the houses to protect themselves against just this kind of eventuality.

Since then, however, the market has seen a rapid recovery. Exceptionally wide margins were available on the houses' lending business during much of 1974, bringing high profits which enabled them to restore their reserves to the levels existing before the crisis. During the past year, the situation has not been quite so easy —margins have been narrower and interest rates have fluctuated substantially up and down —but most houses are thought to have had a satisfactory experience even if profits were down from the exceptional levels of 1974.

## Environment

Moreover, there have been marked changes both in the make-up and nature of the discount houses' business and of the general market environment in which they operate. Most important has been the sharp reduction in their holdings of gilt-edged stock and the shortening of their books. As high as £391m. at the end of 1971 these holdings were down to £10m. at the end of 1974. More recently, there has been some renewed build-up against the background of the rapid rises in gilt-edged prices—the latest figures, for mid-December, show a total of £95m. and a marked rise in holdings of longer stocks, with £10m. running over five years.

Nevertheless, the discount houses have basically stopped being large investors in gilt-edged stocks. But they remain large traders, accounting at times for as much as 30 or 40 per cent. of turnover in short-dated stocks and taking a quick turn where they can. To some extent, it is felt, this should reduce the volatility of their profit record. They will still lose money when interest rates rise until they run off investments bought at lower yields. But the setback will consist mainly of running losses, and the possibility of heavy capital losses involved in large gilt-edged investments is much reduced.

Other important movements have included a sharp rise in holdings of Treasury bills, reflecting the large issues of recent months, and a dramatic rise in the holdings of other bills in 1974 as a result of the increased interest in short paper, particularly eligible bank bills which carried higher yields than gilt-edged.

As the discount houses themselves have adjusted their books, so the market generally has changed. The rapid expansion of the "parallel" money markets which accompanied the growth of the money supply in previous years and contributed to the boom in fringe banking has been reversed. In the aftermath of the secondary banking crisis and the changed monetary climate of the past year, activities outside the traditional areas of the money market have fallen back. A high level of liquidity in the banking sector has led to a marked reduction in the banks' reliance on "wholesale" money market funds to finance their lending in relation to the amounts they continue to take through their traditional branch network operations, and a cutback in the amount of bank certificates of deposit in the market.

## Cautious

Moreover, the experience of the past couple of years has made investors more cautious about placing their money with banking institutions, and this has tended to enhance the stability of the discount houses as outlets for funds. Their role as a safe haven for the liquidity of the banking system generally has been thoroughly confirmed, and in some ways, it may be argued, they have returned to their traditional function in the market after a period of change and uncertainty.

The experience has also, however, underlined their need to adapt to changing circumstances. In present conditions, it is perhaps no longer so necessary for the discount houses to develop more extensively outside their accepted areas of activity. But some have been showing a more aggressive approach in marketing their services and the facilities of the money markets generally. Their efforts to interest the now more experienced and sophisticated finance directors of large companies and institutions have played a part in the growth of the holding of Treasury bills outside the market itself.

The pattern of activity in the market will continue to change and develop; next year, for example, could see some revival of private sector financing against the dominant position held by the public sector in the past year. But the discount houses generally have found renewed strength in their special and traditional position in the market.

# Tax receipts jump £3bn. to £14bn.

BY MICHAEL BLANDEN

INFLATION and the accompanying steep rise in the level of money incomes were the main reason for a sharp increase in the amount of tax collected by the Inland Revenue in the past financial year.

In figures illustrating the impact of "fiscal drag"—the result of higher money incomes in relation to progressive levels of income-tax — the Revenue shows that in 1974-75 its total net receipts of tax were £14.24bn. This was an increase of £3.6bn. on the previous year.

Net receipts of income-tax rose by £3.13bn., or nearly 45 per cent., to £10.27bn. This represented about 72 per cent. of total net tax receipts.

The increase in income-tax receipts, the Revenue says in the Commissioners' annual report, was very largely due to the rise in income levels with only about £280m. attributable to changes made in the Budgets of March and November, 1974.

Nevertheless, the net yield of income tax was lower by £229m. than had been estimated in the November Budget. This was mainly because in the final quarter of 1974 the level of income itself was lower than had been expected.

This shortfall more than accounted for the total tax outturn in 1974-75 being £64m. below the November estimate. Corporation tax, however, produced net receipts about £124m. higher than had been forecast.

Net receipts of corporation tax were £596m. up at £2.86bn. This increase included some £575m. increased payments of advanced corporation tax, of which £374m. came from the additional charge imposed by the March, 1974 Budget. The rest was attributable to the fact that this was the first full year of payments of ACT.

The higher tax rates brought in by the March, 1974, Budget accounted for an additional £135m. of corporation tax; but this and higher company profits were more than offset by the relief for the increase in stock values given in November, 1974.

The total net receipts of corporation tax were higher than expected because dividend payments in the latter part of the year were greater than expected; and there were also errors in the estimation of the timing of the impact of stock relief and of company profits.

The cost of collecting all Inland Revenue duties in 1974-5 was £249.8m., an increase of £68m., or 37.39 per cent., as against a 33.87 per cent. rise in net receipts of revenue. This was due mainly to increased staff salaries, superannuation and national insurance contributions, Post Office service increases and increases for services provided by other Government departments.

The cost of collecting taxes on income, profits and capital gains, however, was actually a little lower at 1.74 per cent. of net receipts against 1.75 per cent. in the previous year.

On stamp duty, however where receipts rose only 4.0n per cent., the cost increased from 1.03 per cent. to 1.64 per cent. of net receipts.

*118th Report of the Board of Inland Revenue. Cmnd. 6302. SO. £1.80.*

# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● FINISHING

## Less paint but better coverage

FACING UP to the basic fact that car owners and transport operators are keeping their vehicles longer because of the economic climate, but at the same time are putting a brave face on it by sending vehicles in for respraying more frequently than hitherto, International Pinchin Johnson (International Paint Company) has brought out a paint refinish which will cut material requirements by about half.

International Quickline is a synthetic enamel which dries faster and gives a better finish than nitrocellulose paints, but also has such excellent covering and flow that a standard family saloon needs three litres of enamel and one of thinner, against five of enamel and five of thinner for nitrocellulose.

About five years development work has gone into the product which is a dual-purpose material in that it can be low-baked or air-dried and can be used either with thinner or hardener.

A mixing scheme is planned with 31 basic tinters plus finishing black and white from which a range of colours covering all U.K. and Continental cars can be produced. At the same time, the company is preparing to meet heavy demand by allocating nearly 7,000 square feet of production space and a major storage area for the new material.

So far as the garage is concerned, IPJ expects spraying operatives to welcome the ease of application of the product which is put on in two coats, the first light and the second a finisher.

Dust-free drying is achieved in 20 minutes and the surface can be handled—with care—in two hours. Within 16 hours, the film will have become extremely hard and the second colour or cutting and polishing operations can be undertaken.

Alkyd-based Quickline is also easier to apply in the first instance because although all normal preparation work is needed before final application of colour—degreasing, flatting and filling—there is no need for overall coats of filler or surfacer. At the same time, the alkyd is compatible with existing nitrocellulose layers.

While the company is understandably reticent about the actual cost to vehicle owners of a respray using the new resin finish, since it only controls the materials and some training but not the application methods used, nor the time spent on a job, it is already very clear that the important factor is the reduction in the amount of manual labour needed to produce a good finish.

For what it is worth, however, the gleaming Ford Escort respray job on view at the presentation had taken 1¾ litres of an admittedly more expensive Quickline mix compared with an estimated six litres in four coats to achieve a similar finish with nitrocellulose paints. The first would be achieved within one working day and the second over two days, with the attendant problem of keeping an environment dust-free.

The clincher, or so says the technical manager of IPJ, Ray Evans, is that nitrocellulose needs at least five times—more probably six times—the manual labour to achieve the same finish.

International Paint is at Henrietta House, 9, Henrietta Place, London W1A 1AD. (01-580 6677.)

## Polishes stainless steel

USING A carefully compounded solution of nitric, hydrochloric and phosphoric acids, together with a specially formulated organic surfactant, it is possible to produce a bright smooth passivated polish on stainless steel fabrications, simply by immersing the component for 10 to 12 minutes in the liquid, which is held at 80 deg.C.

Invented by Dr. Gerry Mulder and developed by Rath Development Corp., of Janesville, Wisconsin, U.S., the Micro-Chem process uses only one tank (more if production volume requires it) and is stated to descale, polish, de-burr, brighten and passivate.

### No special jigs

Cost of the solution used is about equal to that used in electropolishing, but the cost of preparing specially shaped jigs and cathodes and of current is saved. The cost is also said to be less than 25 per cent. of that of mechanical polishing.

Major advantage of the new process (apart from cost saving), which is believed to be unique, is its ability to produce a smooth bright finish in normally inaccessible parts, such as interior surface areas.

For example, stainless steel beer kegs can be polished inside to a degree not previously possible, and the process can also be used for polishing the interior of hypodermic needle tubes. Electrolytic methods for this are very costly, requiring specialised plant.

### Etch process

Precleaning is a simple wash in potassium permanganate and caustic soda, then in hydrochloric acid, for a total of about ten minutes (required to remove gross discolouration, such as weld stains). The process itself is a form of etch, and can be used with varying degrees of success on a range of ferrous and non-ferrous metals, but produces its most satisfactory finish on 18/8 (AISI 300 series) stainless steel. During processing, from 0.0003 to 0.0008 inch of the surface of the metal is removed, including asperities, producing a fine microfinish, free of inclusions and resistant to intergranular corrosion.

The company says that any effluent produced when treated components are washed is biodegradable and should meet anti-pollution requirements.

Because of "drag-out" and evaporation of water vapour, the solution needs to be topped up, on a regular basis, and occasionally renewed. It is claimed that once treated, components rarely require a further application of the process.

Throughout Europe and the U.K. the licence for the process is held by Electropol Processing, The Trading Estate, Farnham, Surrey, GU9 0PH (02513 21201).

This company will supply a complete package deal, including glass fibre tanks, heating and handling equipment, will advise manufacturers on setting up their own Micro-Chem processing line, or will establish and operate a line on the manufacturers' premises. The initial batch of solution and the topping up requirements will be supplied by Electropol. The company is interested in sub-licensing the process in Europe and the U.K.

● RESEARCH

## Atoms for analysis

A DIGITALLY set flameless atomiser offering improved sensitivities and detection limits compared with conventional flame techniques has been introduced by Pye Unicam for use with its SP1900 and SP190 atomic absorption spectrophotometers.

Conversion from flame to flameless mode takes only a minute or two since the atomiser unit fits directly on to the existing burner stem. All supply cables and tubing are connected through the top of the spectrophotometer leaving the operator with unobstructed access to the graphite tube.

The power controller can heat the graphite tube for pre-set times over five completely independent stages: dry, ash, atomise, clean tube, and blank tube. Temperatures of up to 3000 deg. C can be programmed on all five stages, and any of the last three stages can be cancelled from the programme as required.

All the programme settings and the time elapsed during each stage are digitally presented, and status lights indicate which stage is operative. A wide variety of different dry, ash and atomise procedures may be carried for a wide range of samples. More from Pye Unicam, York Street, Cambridge. (0223 58866.)

● COMPUTERS

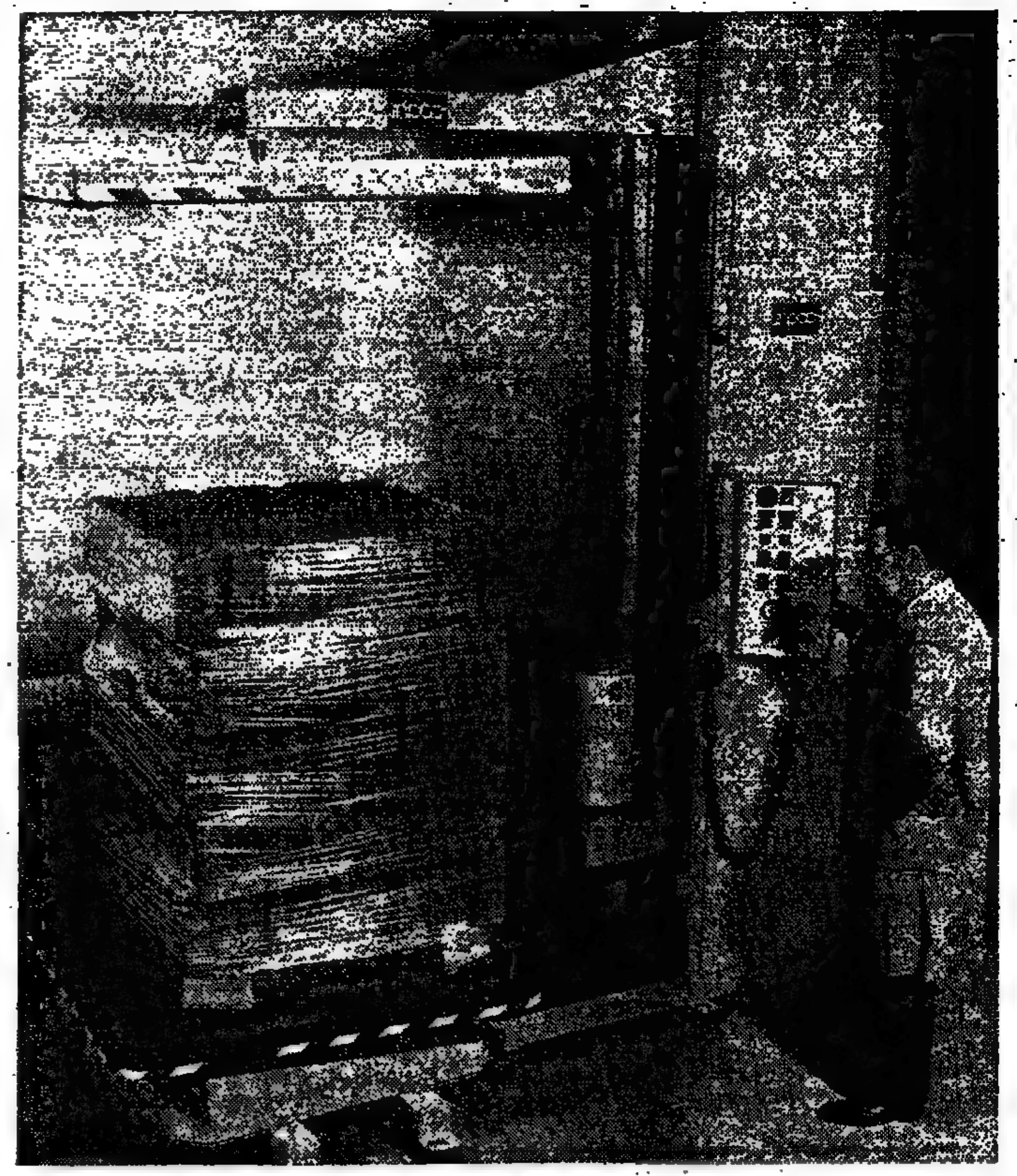
## Orders grow for new equipment

OLIVETTI's decision to stake a great deal on the new family of office computers and intelligent terminals (A5, A7, TC800) introduced to major world markets at the end of 1974, has been justified, the company asserts.

Already, an order book worth over £120m. has been established and this indicates a prominent role for the company in distributed processing in future.

To strengthen the U.K. company's drive in this direction, British Olivetti has brought in as marketing manager, Mr. Philip Claydon, until recently provincial development manager for Nixdorf. In a market sector where software is playing an increasingly important role, his special knowledge, acquired in software development, will be particularly useful.

● HANDLING



Building blocks being bonded to a pallet by the Inpac PSW spiral wrap stretch wrapping machine.

## Stretch wrap loads on pallets

MACHINES designed to wrap pallet loads of varying size and shape, securely bonding the goods to the pallet to provide product security against pilferage and damage and quicker, easier handling in transit and storage, have been introduced by Inpac Automation, Uxbridge Road, Southall, Middlesex (01-574 3673).

Designated PSW, these stretch wrapping machines provide a lower cost alternative to pallet shrinkwrap machinery in terms of both capital expenditure and operating costs, while significant material savings—around 70 per cent.—can be made on film, it is claimed.

Cost of film is about £450 per tonne, that is 1p per sq. metre, using 25 micron gauge.

On a typical pallet load 1½ metres high, the PSW wraps the base three times, climbs up the load to give a double wrap at the top, then returns to the base. Total film cost is about 16.6p. A shrink wrap pallet-cover would cost 50p, plus the cost of heating.

Two basic types of PSW machines are available.

The full web model is for use with loads of consistent height which are wrapped with a full web of film slightly greater in width than the height of the load. Number of layers of film applied is dependent on the load.

Spiral wrapping is chosen where loads of varying height are to be handled. Latest addition to the range is an automatic version incorporating powered conveyor systems, pallet separation controls and automatic film cutters and sealer.

These systems can deal with a pallet load every 90 seconds and are designed to be integrated into automatic production lines.

Designed for installation in warehouse areas, the PSW can been installed flush to the floor with a turntable for hand pallet truck loading. No air venting or special power is required, so the PSW can be installed in cold rooms and other heat-sensitive areas.

● PACKAGING

## Additives in foods

SALES of food additive chemicals in five major countries of Western Europe (United Kingdom, Belgium, Netherlands, West Germany and France) totalled over £175m. in 1975 according to a multiclient survey by Industrial Aids. Growth prospects for the next five years are "by no means unencouraging" for the groups of additives studied. Three major food groups—meat and meat products, bread and flour confectionery, and sugar confectionery and preserves—were included.

Thousands of chemicals are incorporated in foodstuffs as natural constituents, additives or processing aids. Defining an additive as a non-nutritive substance added to food intentionally to improve appearance, flavour, texture or storage properties, Industrial Aids believes that 90 per cent. of sales can be accounted for by eight functional groups: flavours, flavour enhancers, thickeners and stabilisers, emulsifiers and surface active agents, food acids, colours, preservatives and antioxidants, and sweeteners. Other adjuncts such as enzymes, vitamins and leavening agents are also discussed.

West Germany is estimated to be the largest of the national markets, with an additive usage of approximately £80m. per annum for the products studied. Relative usage is influenced by national eating habits and preferences, and Germany is, for example, the largest market for food acids but comes second to the U.K. in flavours consumption.

The food industry is very sensitive to public opinion and to consumer pressure groups opposing the use of artificial conditioning agents, and the additive manufacturer is probably more subject to legislative control than any other sector of the chemical industry. For this reason, Industrial Aids interviewed a large sample of additive makers, industry supply houses and food manufacturers. Food recipes and additive usages for home and export production were discussed in the light of market habits and preferences, and national and EEC legislative restraints.

### Close watch

Preservatives and antioxidants, which together account for approximately 6 per cent. of additives usage by value, are the chemicals most under surveillance by legislative authorities, and their use in the near future is not expected to grow by more than 3 per cent. per annum.

Consumption of flavours, on the other hand, assessed at over £70m., is capable of developing by up to 12 per cent. per annum if the present recessional trend in the food industry is reversed in 1976. Usage patterns vary with country, and, for instance, synthetic flavours, food colours and thickeners in the U.K. can differ substantially from those used in France and the Netherlands, and relative changes can be expected as international markets are sought for foods and confectionery.

The report lists principal additive suppliers and the national and EEC legal status of hundreds of individual materials. It is published as a set of five volumes priced at £1,500, or separate country volumes are available at £375 each.

Industrial Aids, Terminal House, 52, Grosvenor Gardens, London SW1W 0AU. (01-730 5288.)

Meanwhile, in Europe, the list of colouring substances which may be used in foodstuffs is to be amended once again by the European Commission. On the advice of the Scientific Committee for Foodstuffs it has just proposed that nine substances be banned from January 1, 1978.

Advances in science and technology have shown that not enough is known about these colouring chemicals and that it is impossible to evaluate their toxicity. The wisest course, therefore, seems to be to delete them from the approved list on the understanding that this decision will be reviewed if research sheds more light on their properties.

This is the fifth time that the list has been amended since it was first compiled in 1962.

● OFFICE EQUIPMENT

## Cuts cost of filing cabinets

CORRUGATED board is used throughout for the construction of a new four-drawer filing cabinet, which can be folded flat when not in use, or made up in a matter of seconds.

Called the Fold-a-File, the drawer size is 9¼ in. wide, 18¼ in. long and 4¼ in. deep. The drawer handle is formed by a cut-out segment in the top of the front panel.

The cabinet was designed and is marketed by Frank Coleman (Luton), Maulden Road, Flitwick, Beds., MK45 5BW (05257 2261).

● PRODUCTS

## Ensures a firm grip

AN EXPANDING bolt fixing system designed to provide parallel grip along its length has been introduced by Impex Suprafast, 435/7 Great West Road, Hounslow, Middlesex, TW5 0BY (01-570 7226).

Marketed as the Impex Sleeve Anchor, the fixing consists of a bolt which passes through two cones at the top and bottom of a steel sleeve which is milled for grip and slotted for expansion. As the bolt is tightened, the cones compress the sleeve causing it to exert pressure against the walls of the hole.

● METALWORKING

## Finishes holloware edges

AN UNUSUAL belt grinding machine has been developed by the Swiss company Niederberger. The twin-headed unit was built to belt grind the sheared edge and blend the inside and outside radius on steel helmets in 45 seconds, but it was found that it could be adapted to a wide range of holloware and similar parts which require edge trimming and deburring.

The turntable is driven by a stepless variable geared drive unit with a range of 4-20 rpm. Copying cams are mounted on the turntable and these control the lift and fall of each grinding head in turn. A fixture on the turntable holds the part mechanically, but a vacuum grip fixture could be used should the part not lend itself to mechanical grip.

Grinding head movements are pneumatically actuated and sequenced by limit switches, each cycle being initiated by the operator by depressing the sequence button when a fresh part is loaded into the fixture.

A. C. Niederberger and Co., 4, Grove Terrace, Wallsall WS1 2NE.

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# PARLIAMENT

## Ross takes his turn in jobless firing line

Financial Times Reporter

IT WAS the turn of Mr. William Ross, Secretary for Scotland, to endure the unemployment pillory in the Commons yesterday, and, like the Prime Minister and Mr. Michael Foot, the Secretary for Employment, before him, he faced strident demands for his resignation.

Leading the clamour for the ending of the Ross regime—no other Secretary of State has held the post so long—Mr. Edward Taylor, from the Opposition front bench, said that with unemployment in Scotland totalling 162,000, it was time for him to make way for someone better equipped to look after the interests of the Scottish people.

Mr. Ross described the unemployment situation in Scotland as "very grave" but pointed out that the January count included 12,100 students from universities and colleges who would have now returned to their studies.

Taking account of seasonal factors, the increase over the previous month was about 4,300, although the total was "very serious" and there was no question of the Government being complacent about it.

Backed by Labour cheers, Mr. Ross reminded the House that had the Government followed Mr. Taylor's advice over Chrysler, there would have been another 8,000 unemployed in Scotland.

"The Scottish economy could not be isolated from the world recession. The present level of unemployment in Scotland is a matter of grave concern, although that increase in the past year has been well below the average for Great Britain," the Minister added.

## Anthem jeers 'breach of peace'—Tory

RUGBY fans who jeered when the national anthem was played at the start of the rugby international between Scotland and Australia at Murrayfield were committing a breach of the peace, Mr. Nicholas Fairbairn (C., Kinross and W. Perthshire) suggested in the Commons yesterday.

He asked Mr. Ronald King Murray, the Lord Advocate, to confirm that, in the law of Scotland, to jeer at the national anthem on a public occasion was a breach of the peace, even if it was an expression of the republican ambitions of the nationalists.

Mr. Murray said he could not accept Mr. Fairbairn's account of the facts or of the law. "I did not have the good fortune to attend the match in question but watched the game on television and saw nothing untoward.

"In every major sporting event I have ever attended, there have been signs of impatience from the youthful enthusiasts who had to queue for hours for admission and this is probably a case in point."

Mr. Hector Monro, Opposition spokesman on sport, said the anthem was played as a mark of respect to the Queen and those who jeered had shown their disloyalty.

Mr. Murray agreed when Mr. Monro added that such fans should either take their bad behaviour elsewhere or save their energies to cheer for Scotland.

## Dispute over discontent

THE TOTAL of 258,000 local government employees in Scotland represented a staggering increase of almost 13 per cent. in the last 15 years, Mr. Thomas Galbraith (C. Hillhead) claimed in the Commons yesterday.

"This vast and expensive growth of officialdom is the real cause of so much discontent in Scotland," he said. It was extraordinary that the Scottish Secretary (Mr. Ross) should proceed with the setting up of an Assembly which would mean more officials and higher taxation.

Mr. Bruce Millan, Minister of State, Scottish Office, said that the 258,000 figure included about 10,000 employees engaged on responsibilities transferred to local authorities on reorganisation.

More duties had been placed on authorities in the last 15 years and he did not accept Mr. Galbraith's analysis of Scottish discontent.

But the Minister also warned that local authority staff could not go on increasing as it had done in the past.

## Norwegians fly in to shop

NORWEGIANS making £70 flights to shop in Norwich are still saving money because of the higher prices of goods in their own country.

The week-end shopping flights are arranged by Air Anglia. The visitors spend an average of £150 each in the shops.

Air Anglia said yesterday that when the flights end in March, 600 Scandinavians will have made the trip and spent £75,000.

PRESS FREEDOM

# Foot wins legal powers vote

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

RENEWED Opposition efforts to ensure that freedom of the Press had legal backing were rejected by the Government in the Commons last night, when the main Tory amendment to the controversial Trade Union and Labour Relations (Amendment) Bill was defeated by a Government majority of 59 (299-240).

The proposal of Mr. Michael Foot, Employment Secretary, for a voluntary charter on Press freedom was condemned by the Tories as inadequate, when MPs resumed their debate on the Bill thrown out by the Lords last session because of the clash over these issues.

Under the special procedures occasioned by the Government's determination to push the Bill once again through both Houses of Parliament, the amendments on Press freedom were raised during an unusual "suggestion" stage, adopted in place of the normal committee stage.

The Government amendment for incorporating a voluntary charter to take the heat out of controversies over editorial rights was in the form inserted by Lord Houghton in the Lords and later amended in the way advocated by the Labour Manifesto Group in the Commons.

The Conservative amendments were those put forward in the Lords last session by Lord Goodman, chairman of the Newspaper Publishers' Association, making much more explicit the rights of editors — as well as giving the charter a degree of legal backing.

Mr. James Prior, "shadow" Employment Secretary, appealed to the Government to refer the issue of Press freedom to the Royal Commission on the Press.

Mr. Prior said that in the last few days, the Royal Commission had sent a note to newspaper editors suggesting that they should now give evidence urgently on this subject.

Arguing that the Conservative amendments could not be interpreted as anti-union, or legislation for legislation's sake, Mr. Prior said that a great deal of Parliamentary time had been spent in the last 18 months passing the Trade Union and Labour Relations Act and the Employment Protection Act. So to say the law had no place in industrial relations matters was wrong.

"If this is not acceptable to the Government, we must take it that they place the operation of a closed shop and the tyranny that can come from the strict interpretation of that as more important than the freedom of the Press."

Mr. Ron Thomas (Lab Bristol NW) challenged the suggestion that the Press was already free in this country. "Three large corporations now produce 80 per cent. of all national daily and Sunday papers sold in the U.K. and in the overwhelming majority of cities there is an effective local monopoly of news—sometimes in the same hands as the national Press.

A free Press, therefore, in the sense of a varied or balanced Press is fast disappearing."

Mr. Jeremy Thorpe, Liberal leader, said there should be the widest possible discussions on a charter, with the best possible goodwill on both sides. For this reason, he was against specifying matters to be included in a charter, as the Conservatives wanted.

Sir Derek Walker-Smith (C. Hertfordshire E.) warned that monopoly control of personnel in the Press was as great, if not a greater threat, to the freedom of expression than monopoly ownership. He described the Government's charter as a toothless wonder.

Mr. Edward Fletcher (Lab. Darlington) said that an artificial campaign was being waged by the Press. The closed shop issue affected five million people working under closed-shop agreements in industry. He could not understand why newspapers should be picked out for special treatment.

Mr. David Madel (C. Bedfordshire S) said he did not think Government and Opposition were really so very far apart as it appeared on the issue. The argument was simply whether the charter needed strengthening.

Mr. Jonathan Aitken (C Thanet E) said that 1976 was likely to be a make or break year for the newspaper industry. Virtually every newspaper was losing money. New technology would mean many tragic redundancies.

"This will bring tension into industrial relations which could have serious consequences if it exploded into the sort of Luddite reaction we saw in the U.S. when computer type setting was introduced.

Mr. Foot's enthusiasm for encouraging the NUJ to seek monopoly power over access to the Press took a quite unacceptable risk with industrial relations in the industry and with Press freedom. The issue should have been referred to the Royal Commission.

Mr. Aitken claimed that the charter was still too weak and ineffective. "Press freedom is far too serious a matter for Parliament to opt out of its protection."

If the Government rejected Opposition proposals, it would show that the Parliamentary Labour Party had become the "Jack Jones puppet show" with the strings being pulled by the trade union bosses.

Mr. Foot said that as a journalist himself, he wanted to do everything he could to enhance Press freedom. "I hope we are to have no more wild accusations about myself or the Government wishing to strangle freedom in any sense whatever."

# Lebanon: EEC talks proposal under study

BY JOHN HUNT

MR. JAMES CALLAGHAN, Foreign Secretary, was considering what conversations could take place between Britain and its EEC partners over the continued fighting in the Lebanon, Mr. Roy Hattersley, Minister of State, Foreign Office, told the Commons yesterday.

He emphasised that Britain's current policy was embodied in the undertaking given at Christmas by Mr. Harold Wilson, the Prime Minister, to the Lebanese Prime Minister. This promised that Britain's commitment to the territorial integrity of the Lebanon was absolute.

Answering a private notice question from Mr. Julian Amery, a former Conservative Minister of State at the Foreign Office, Mr. Hattersley promised that the Government would take steps to evacuate the remaining members of the British community in the strife-torn country should it prove necessary.

Cautiously, the Minister declared: "It is difficult to see what practical steps outsiders, and particularly countries outside the Arab world, can take in an extremely complex and difficult situation without running the risk of making matters even worse than they are already."

### Message

Mr. Amery suggested that units numbering several thousand had crossed the border into the Lebanon with the connivance or agreement of the Syrian Government. He asked whether Mr. Hattersley agreed that this "invasion from Syria," if it were pursued, would have very serious implications for the free world.

In the event of the destruction of the Christian community and an end to the pluralised society in the Lebanon, he wanted to know if the Government would consider initiating discussions with our EEC partners to make it clear that we could not remain indifferent to the break-up of the Lebanon, still less to its conversion into a Marxist State.

Mr. Hattersley replied: "We have made it absolutely clear and public—indeed, the Prime Minister put it into his message to the Lebanese Prime Minister at Christmas—that our commitment to the continued territorial integrity of the Lebanon is absolute. That remains our established policy—a policy that we have tried to develop in consultations within the Community and with the U.S."

Dealing with the military situation, Mr. Hattersley said that the evidence available to the British Government was that the strength of the units which had passed into the Lebanon was not as great as some reports had made out. So it did not necessarily follow that the units had crossed the border with the connivance of the Syrians.

"I accept that there would be grave implications if the conflict were to extend and take on a wider role," he added.

Mr. John Mendelson (Lab. Penistone) said that our concern should not be whether the people of the Lebanon were to turn their country into a Marxist State or any other kind of State. That was a matter for their sovereignty and was not our affair.

But we should be concerned that the Lebanon remained free and independent. No neighbouring Government or State had the right to intervene there with military formations. This should be a matter which we could raise as a member of the UN Security Council.

Mr. Hattersley replied that the Prime Minister's message regarding territorial integrity meant that the people of the Lebanon should have a right to form the government they wanted and he hoped they would choose it in peace.

Sir Anthony Royle, a former Tory Under-Secretary in the Foreign Office, said that there were new reports about the massing of troops on the Lebanese border both by Israel and Syria. He urged that the Government should take immediate steps to instigate consultations with our EEC partners with a view to raising the matter in the Security Council.

Mr. Hattersley replied: "The Foreign Secretary is considering at this moment what conversations should take place between the various members of the EEC. But I think that consultations at this level are often best carried out privately rather than in the glare of publicity."

### Safety

He stressed that the British Government must look initially to the delicate negotiations now going on in Beirut and must hope that these would lead to some improvements in the situation.

Mr. Andrew Faulds (Lab Warley E.), asked about the safety of British residents and suggested that provocation in the Lebanon nearly always came from the Right-wing Phalangists whose behaviour had been anything but Christian. He claimed that the Right-wing Christian leaders in the Lebanon barely had the competence to run Battersea dogs home.

Mr. Hattersley refused to be drawn into making judgments. He confirmed that there were about 1,000 British subjects remaining in the Lebanon and even if the airport remained closed there was a contingency plan to get them out in time "and we would hope in safety."

Mr. Christopher Tugendhat, a Conservative foreign affairs spokesman, asked for a promise that if help or sustenance were required, the EEC countries would work together and not take separate initiatives.

The Minister agreed with this, but pointed out that it was often best that one member country, having special connections with the country concerned, should take the lead in the matter. That might well be the best course to follow on this occasion.

# Hayward rules out '78 direct elections

By Reginald Dale, Common Market Correspondent

BRUSSELS, Jan. 21.

MR. RON HAYWARD, general secretary of the Labour Party, to-day warned that it would not be possible for the U.K. to meet the EEC's 1978 target date for direct elections to the European Parliament, if only for technical reasons.

At the same time, he made it clear that Mr. Wilson could face serious difficulties from inside the party if he commits the Government to direct elections too quickly.

Earlier this week, in a letter to Dr. Dickson Mabon, president of the British Council of the European Movement, the Prime Minister accepted the need for the fullest discussion with Parliament and with the parties outside Parliament on the issue. However, he assured Dr. Mabon that the Government would "do its best" to have legislation ready at the same time as the other EEC countries.

In Brussels to-day, Mr. Hayward said the party's National Executive Committee would be considering a resolution next Wednesday, asking the Government not to agree to the EEC plan before full consultations had been held and the Labour Party conference had taken a decision.

This would mean postponing British acceptance at least until the autumn, whereas M. Gaston Thorn, president of the EEC Council, has said he hopes the convention establishing direct elections can be approved at the next EEC summit at the beginning of April. There is still a widespread hope inside the Community that Britain and Denmark, the other uncommitted country, will, in the end, manage to meet the 1978 target alongside the other seven member States.

### 'Gigantic'

But Mr. Hayward stressed that, leaving politics aside, it was just "not on" for Britain to organise direct elections by or in 1978. None of the technical groundwork has been done and neither Parliament nor the Labour Party had even debated the principle of direct elections, he said. There was "a gigantic job to be done at constituency level."

Mr. Hayward pointed out that definition of the new constituencies, by the Boundary Commission could take a very long time. There had been no discussion of a whole range of issues such as whether members of the European Parliament would also have to be MPs in Britain, the date of the European elections, whether they should coincide with general elections and whether they should be on the same day throughout the Community.

In any case, Mr. Hayward went on, there was absolutely no urgency. It was still not clear what "teeth" a directly elected European Parliament would have, or whether it would only be a talking shop. In 1978, he was convinced that EEC decisions would still be taken by the Council of Ministers, not the Parliament.

The issue was not whether there should be a European Parliament, but what kind of Parliament it should be, and how it should be elected, he said. It would be a long time before there was a European Parliament similar to the British Parliament "maybe not in my lifetime," he concluded.

# Nessie—you're among friends

NESSIE, THE Loch Ness monster—if it exists—has found a cautious friend in the Government.

Scottish Secretary Mr. William Ross, carefully remaining non-committal about the latest evidence of a monster in the Loch, has nevertheless offered it government protection if it needs it.

Mr. Ross told the Commons yesterday: "If there is evidence establishing that there is wild life in Loch Ness in need of protection, I shall carefully consider making use of powers available to me to provide the protection required."

A fear for Nessie's future was raised by English MP Mr. Toby Jessel (C. Twickenham). "The monster is in need of protection because it is believed it must feed on salmon which are prolific in Loch Ness and there may be commercial interests also after the salmon which may jeopardise the monster."

Mr. Ross said that a Government Minister had attended a seminar at Westminster where the latest evidence was displayed. "He was impressed but I do not think he was convinced. We all should have open minds about this."

Organiser of the seminar, another English MP, Mr. David James (C Dorset N), warned that the species might be declining in numbers and could easily become extinct. He felt it was better to play safe and extend the protection.

Mr. Ross told him: "Any action would be precipitate." However, he assured MPs: "We have certain powers and if the existence of the monster is proved, we will take them."

Mr. Douglas Henderson (SNP Aberdeenshire E.) demanded that protection should be extended to the Scottish Conservatives "because they are a species declining quite as fast as the monster."

Mr. Ross told him: "The only thing about that is that there is evidence of that happening, but as far as the Loch Ness monster is concerned, it has looked after itself reasonably well for about 70 million years and I do not think it is in immediate danger in the present session of Parliament."

# Juvenile crime worries Peers

THE RATE of increase in juvenile crime was so alarming that the public was beginning to lose faith in the penal system and in social workers Baroness Young (C), told the Lords yesterday.

Speaking from the Opposition front bench, she said that some of the most persistent and violent criminals were under 17 and a quarter of all serious crime involving violence was committed by children of this age.

"As a society we have concentrated so much on the physical well-being of children that we have neglected the emotional and spiritual side of their development," she said.

The Earl of Longford said that in London's black community, where the crime rate was higher than average and delinquency rates especially high, there was a feeling among the young of alienation. This was caused by bad housing, conventional teaching in education which did not allow for the child's social background, and unemployment, which was double the national average.

In a maiden speech, Lord Leconfield and Egremont said that juvenile crime was the concern of almost every police force in the world. Referring to a recent trip to America, where he had seen policemen patrolling the corridors of certain schools, he said this was the terrible thing that Britain was faced with.

He urged the use of every weapon possible — sophisticated and simple—in the fight against juvenile crime. We ought to shun the simplistic solution by which the level and severity of the punishment was increased.

Lord Soper (Lab.) criticised encouragement by the media of the idea that virility and growing up were associated with expressions of violence, including sexual violence.

From the cross benches, Lord Clifford of Chudleigh said that alcoholism was becoming far too prevalent among young people. "At one school I know, there were 13- and 14-year-old girls who were tipsy in class at 2 p.m. in the afternoon."

Lord Harris of Greenwich, Minister of State, Home Office, said: "Although the most common juvenile offences are theft and burglary, young people are responsible for a significant proportion of detected serious crime.

"There is a hard core of recidivist, disturbed and violent juveniles, who have proved unresponsive to all measures to help and control them. They are a danger to themselves, their schools and the community."

The Home Office had been reviewing the working of the Children and Young Persons' Act 1969 and he hoped to make a statement soon on the Government's findings.

### METRICATION CARDS OFFER

The Metrication Board is offering the public a pack of eight cards concerning metrication and do-it-yourself operations.

The initial print order is 150,000, but the Board believes that up to 500,000 packs may go into circulation.

# LABOUR NEWS

## Miners start talks on pay and closures

BY ROY ROGERS, LABOUR CORRESPONDENT

Informal national pay talks open to-day for Britain's 260,000 miners at the same time as leaders of both sides of the coal industry try to solve a dispute over a pit closure which could lead to miners staging a national overtime ban.

The special significance of the pit closure row is that it could sour relations between the National Coal Board and the National Union of Mineworkers when they are trying to agree to a pay settlement within the Government's £6 pay limit.

No pay offer is expected to be made to-day and the talks are instead expected to centre on an NUM demand that, if the miners are to receive only £6, white-collar workers in the industry should not be allowed extra incremental pay rises.

Like many public sector and other white collar workers, NCB staff have annual incremental increases which the Government has said can be paid in addition to the £6 provided they do not affect the size of overall wages bill. But, because miners do not qualify for increments, the NUM is exerting pressure on the NCB to ensure that staff increments are either waived or offset against the £6 limit.

NCB management grades represented by the British Association of Colliery Management have this month received increments of between £80 and £250 a year and the NUM wants these taken into account when BACM's annual agreement is negotiated in March.

At the same time the NUM's clerical section (COSA) has agreed to waive increments for staff over 21 but it remains to be seen whether the Association of Professional, Executive, Clerical and Computer Staff (APEX), which also represents some NCB staff will do likewise.

A further tactic employed by Mr Joe Gormley, the NUM president, is to press for the £6 to be paid on miners' basic rates—which would be worth more than £6 when overtime payments are taken into account and is therefore in breech of the policy. But this is seen as a ploy by Mr. Gormley and an item likely to be dropped if the NCB agrees to the offsetting for management and staff.

Meanwhile the Board and the NUM hope to be able to resolve the dispute over the closure of Langwith colliery in Derbyshire which led to the national overtime ban threat.

The NUM is concerned that the closure—because of danger caused by excessive dust—may be the first of many.

## Leyland factories halted by strike

BY OUR LABOUR CORRESPONDENT

BRITISH LEYLAND'S five Lancashire truck and bus plants came to a halt yesterday when nearly 6,000 workers joined a stoppage in protest at disciplinary measures taken against three colleagues.

Further problems for British Leyland came at its Cowley, Oxford, car assembly plant where inspectors decided to continue sanctions in support of regrading demands.

Nearly 3,000 workers from the Leyland and Chorley truck plant joined 3,000 men from the company's Sturrier works in Leyland who went on strike on Tuesday over the suspension of three colleagues, one a shop steward. They are scheduled to hold a mass meeting to-day.

The company says that the men were suspended for three days without pay, one for alleged bad time-keeping—for breaching a code of conduct "widely used throughout the industry." Mr. Len Brindle, works convener, said that the new code had been implemented in spite of a request from the works committee that it should be withdrawn.

At Cowley inspectors are continuing their ban on overtime and, much to the embarrassment of their trade unions, are working to rule.

One group, members of the Amalgamated Union of Engineering Workers, yesterday narrowly voted to continue sanctions first imposed four months ago.

On Friday at a joint meeting with inspectors in the Transport and General Workers' Union the 260 line inspectors voted, by a majority of 17, to continue the ban, against the union's advice.

Last week national officials of the unions agreed with Leyland there should be a return to normal working, but only the 60 testers have so-far responded.

Further talks on the inspectors' and testers' grading disputes are being held next week. Leyland has organised overtime for rectification workers, including the testers and inspectors, to reduce the stocks of unfinished cars which have piled up because of the sanctions.

Leyland wants to transfer the stocks of unfinished cars, numbering more than 9,000, into much-needed cash. In the showrooms they would be worth more than £18m.

## NGA expected to join news computer talks

BY OUR LABOUR CORRESPONDENT

THE NATIONAL GRAPHICAL Association looks set to join key negotiations on introduction of computer-based technology in the national newspaper industry.

A recommendation by the union's News Board to re-join talks between most of the industry's unions and the Newspaper Publishers Association will be considered by the NGA executive next week. If, as seems likely, the recommendation is adopted, it will put increased pressure on SLADE, the process workers' union, to end its boycott of the negotiations.

The talks, involving the Society of Graphical and Allied Trades; the National Society of Operative Printers, Graphical and Media Personnel; the National Union of Journalists; the Electrical and Plumbing Trades Union and the Amalgamated Union of Engineering Workers, are making considerable progress.

Mr. Joe Wade, NGA general secretary-elect, said last night that his News Board delegates now felt that they might be better off taking part in the negotiations than remaining out of them.

The recommendation had been coloured by recent evidence of an improvement in relations between the NGA and the other printing unions since the NGA rejoined the TUC at the end of last year.

The NGA, however, still has reservations about the extent of the proposed technological changes in the industry.

## Chrysler 'work-to-rule'

BY OUR MIDLANDS CORRESPONDENT

INDUSTRIAL ACTION being taken by 800 members of the Association of Scientific, Technical and Managerial Staffs at Chrysler in Coventry could impede redundancy payment arrangements.

The union has rejected compulsory redundancies in the £162m. Chrysler rescue plan, which involves loss of jobs for 8,300 of the 25,000 workers.

About 300 ASTMS members in Coventry—including formen and superintendents—expect to be made redundant in the first phase beginning next month.

As a result, ASTMS claims the level of supervisory manning will be too low.

Members are "working to rule"—not covering absentees, going strictly through procedures and banning overtime, needed to deal with redundancy work.

## Offshore door opens to union

BY DAVID CHURCHILL, LABOUR STAFF

TRADE UNION activity on North Sea oil rigs is expected to grow rapidly after the Government's confirmation yesterday that it plans to extend its employment legislation to cover workers on British offshore oil installations.

A Department of Employment consultative document has been sent to industry and union leaders outlining an extension of existing and new employment legislation to cover the rigs, support vessels and other offshore activities.

Mr. Albert Booth, Minister of State for Employment, said yesterday in a letter to Mr. Gordon Wilson, Scottish National MP for Dundee East, that the Government was concerned that offshore workers were not covered by existing employment legislation.

Action had already been taken to extend the law covering employers' liability for compulsory insurance to offshore installations and the Government planned to extend the relevant employment legislation as soon as possible.

The legislation would cover such areas as security of employment, industrial training, redundancy payments, contracts of employment, and the Trade Union and Labour Relations Act.

It was hoped that the jurisdiction of industrial tribunals could be extended to cover offshore activities and also that the Advisory, Conciliation and Arbitration Service could be used.

Legislation covering safety regulations on rigs w[...] dealt with separately [...] Department of Energ[...] Booth said.

Trade unions are li[...] welcome the Governme[...] nouncement, especially [...] they see it as a chance [...] up the North Sea oil [...] for rapid unionisation. [...] unions have made little [...] on oil rigs despite consi[...] activity for recognition.

The Government ho[...] initiate its legislative [...] through a number of Par[...] tary Orders in Council [...] at the end of April. [...] immediate effect is likely [...] rapid moves by the un[...] place statutory safety repr[...] tives on rigs and to use t[...] ployment Protection A[...] secure general recognitio[...]

## Put joble[...] at top of agend[...] says Jon[...]

By Our Labour Editor

A MAJOR confrontatio[...] Government Ministers [...] leaders over the grow[...] of unemployment is [...] take place on Monday a[...] of a fresh initiative laun[...] terday by Mr. Jack Jone[...] secretary of the Trans[...] General Workers Union[...]

At the same time, th[...] ment is to consider brin[...] ward from April to ne[...] the starting date for re[...] provisions contained in [...] ployment Protection Ac[...]

Mr. Jones' initiative [...] day after the new 1.4[...] ployment level was ann[...] aimed at forcing Minis[...] meeting of the TU[...] Party Liaison Committe[...] day to face up to grow[...] union concern and ar[...] the situation.

He sent a request to [...] Murray, TUC general [...] asking for unemploym[...] made the major item f[...] sion at Monday's mee[...] also for it to be rai[...] meeting of the Europe[...] Union Confederation's [...] board at the end of ne[...]

### Requests

On Monday, Mr. Jon[...] the Government, in [...] earlier TUC requests, t[...] itself to a timetable for [...] down unemployment, [...] with measures to be i[...] immediately on points [...] employment subsidies [...] ing, facilities and, la[...] more general moves [...] Budget.

The union leaders wi[...] sise, however that they [...] asking for general refla[...]

## Teachers win full £6 rise

By Our Labour Staff

ABOUT 477,000 teac[...] England and Wales wi[...] the full permitted £6-a-[...] rise from April under [...] ment with the employin[...] ties yesterday.

The two sides failed [...] on increases in cos[...] allowances to 78,000 te[...] the London area. Th[...] plan to take the matte[...] tration.

The rise was agreed [...] employers satisfied them [...] the best of their abi[...] incremental scales, wi[...] next year would be self [...] and not add to the to[...] bill.

### Cut-off

The £6 will be paid to [...] earning less than £8,[...] correspondingly smaller [...] those who would othe[...] ceed the £8,500 a yea[...] point beyond which no [...] are allowed under the [...] inflation policy.

The deal will add abo[...] to the teachers' pay bi[...]

The employers s[...] teachers are not entitl[...] increase in London [...] this year because the [...] ances are already hig[...] those recommended by [...] defunct Pay Board in 1[...] unions want a 20 p[...] increase.

## Paint work[...] threaten Monday st[...]

By Our Labour Staff

MORE THAN 400 me[...] the General and [...] Workers' Union at the [...] Wall paint manufactur[...] pany in Runcorn, Ches[...] threatening to strike fr[...] day in support of a dis[...] across-the-board pay se[...]

The union claims that [...] pany has refused to in[...] a nationally agreed se[...] reached in December [...] 22,000 paint industry [...] were to receive £6 a we[...]

Mr. David Warburton, [...] industrial officer of the [...] said yesterday that the [...] was offering less than th[...] to about 40 lower grade [...] such as cleaners and [...] assistants.

A local GMWU official [...] that the company was [...] separate pay and r[...] agreement negotiated in [...] the basis for not offering [...] £6 across the board.

The workers are t[...] to-morrow to discuss an[...] opments arising from a [...] last night of the co[...] directors.

# FINANCIAL TIMES REPORT

Thursday January 22 1976

# BEARINGS

Most people in the bearings industry believe that the bottom of the trough in the present recession has been reached. However, many plants are not operating profitably and the import level is a worry.

## Expectations of an upturn

**By Kenneth Gooding, Industrial Correspondent**

. CONSENSUS of opinion ıe U.K. bearings industry is the bottom of the trough ıe demand cycle has just t been reached. The slide levelled off and the indus- recession. as bad as any in war experience, will get no o. The only argument now low long will the industry np along the bottom" of rough before experiencing ake off to better times?

e latest forecasts from mechanical engineering omic Development Com- e short-term trends work- arty, to be published next h. put it this way: nion in the (bearings) ıry, while it is undecided whether the bottom of the order cycle has been ıed, continues to point to prospects in the first six hs of 1976. No increase is een in the next six months heduled output for either lectrical appliance or the nobile industries. The posi- is only relatively better in s of output destined for engineering applications.

xports have to date kept ather better than might been expected earlier in Keen attention is being ed on the West German .S. ball and roller bearing ets where the slight recent ovements in automobile some other consumer dur- sales may bring some ase in orders before mid- The overall prospect is of no major improvement tal net new orders on the anies in the sector until ably around the third ter of 1976 at the earliest. further redundancies in sector may still occur."

This forecast of a recovery late in 1976 coincides with that expected for the mechanical engineering industry in general. And so it should because the prosperity, or otherwise, of the bearings industry is totally dependent on the health of mechanical engineering at large. Bearings are components and are sold only to other engineering sectors.

It so happens that the Engineering Industries Association, largest of the U.K. engineering associations with 4,500 members, has publicly disagreed with the "Little Neddy" forecasts. The EIA says that the impression given by its members is that the "bumping along the bottom" will go on until at least early in 1977—and it also suggests that the "bottom" might not yet have been reached.

The arguments are, therefore, about just how bad things are. The bearings industry knows that whatever happens it faces a pretty gruelling six months.

### Volume

For the major manufacturers it is volume that counts. Profits are made only on the last few percentage points of production. Most volume plants in Britain need to work at over two-thirds of capacity to break even. The industry at the moment can count itself lucky to maintain output at 60 per cent. of capacity because of the slack demand.

The U.K. industry growth pattern is wildly erratic but averages out at about 2.5 per cent. a year—by value at constant prices. Against that pretty pedestrian growth there is the actual experience of the past few years. In 1974 growth was 12 per cent. ahead of 1973. Last year demand was 10 per cent. down on 1974. Current industry forecasts are for 1976 to show a 5 per cent. drop on last year.

Fortunately the industry is in much better shape to weather the downturn than it used to be. This is particularly true for the wholly British part of it—Ransome Hoffmann Pollard, a group which sprang from a three-cornered merger six years ago. The group's chairman and chief executive Mr. G. W. "Bill" Barlow has no doubt that the 1971-72 recession would have killed off the companies which went to make up the group — Ransome and Marles; Hoffmann Manufacturing; and Pollard Ball and Roller Bearings—had they not been put together at the prompting of the Industrial Reorganisation Corporation.

RHP was completely re-organised, a process which started in 1970. A £14m. capital investment programme was started and output per employee—a key indicator of a company's performance — was boosted from around £2,000 at the time of the merger to £6,050. Throughout this reorganisation period, even in the depths of the recession, RHP remained profitable. Last year pre-tax profits rose from £2.8m. to £5.8m.

On top of the £14.2m. spent between 1970 and 1975 by RHP, the group now plans a 1976 programme costing around £4.5m. with another £5m. forecast for 1977 even though it seems inevitable that earnings will drop this financial year because of the recession.

RHP has roughly 30 per cent. of the U.K. bearings market and is the biggest presence in this sector. Its main rival is SKF (U.K.) with around 25 per cent. of the market. SKF, part of the Swedish (but international manufacturing) concern, nearly matched RHP's capital expenditure with £13m. between 1970 and 1975. It entered this year with £3m. of authorised capital expenditure and recently another 1.7m. was committed on top of that sum.

It is this backing of human resources with up-to-date and efficient equipment which has been a vital factor in the industry's survival.

And, as far as the prospects for U.K. employment is concerned, the fact that most of the major companies manufacturing here have operations elsewhere in the Western world has also cushioned them against the worst effects of the recession. For example, it is a fair bet that SKF (U.K.) does not make money at the depths of the "trough" and yet, because they are part of a "global" manufacturing and supply system operated by SKF, the British production centres have not been as badly hit as they might have been.

Four of the "big five" bearings manufacturers in the U.K. are ultimately controlled by overseas companies. So far this has proved to be to their benefit rather than the reverse. British Timken, a division of the Timken Company of Canton, Ohio, is the largest industrial employer in the Northampton area with 3,000 at its Duston plant. Fafnir, a subsidiary of the Textron conglomerate, and Torrington, an offshoot of another U.S. group—Ingersoll-Rand—can point to very healthy export performances with at least 30 per cent. of output sold outside the U.K.

All the "foreign" members of the "big five" have been investing comparatively heavily in the U.K.

They are about to be joined by another potentially powerful force. Nippon Seiko Kaisha (NSK), the large Japanese group, will in April bring on stream its £8m. bearings plant at Peterlee, Co. Durham. The NSK plant is almost fully-automated and output per employee will reach exceptional levels as a result. Whether or not NSK will be putting much more cash into Peterlee seems to depend considerably on how labour relations go over the first year or so.

The rationalisation and move to flow-line techniques by the major bearings producers has involved a considerable reduction in the ranges of bearings they supply. Volume is the name of the game and to get volume something had to go. RHP, the outstanding example, cut its range from 40,000 to 12,000 (although within these types there is still enormous detailed variation).

This has opened the way for companies who want to make a living supplying the non-volume ranges of bearings. These companies provide service rather than particularly competitive prices. Among them are such concerns as Blackwell Bearings and the Wyko group. These companies, and the others like them, get a great deal of business from the replacement market as one might imagine now that it is so difficult to get some low-volume bearings from the major manufacturers.

It can also be assumed that, because they do not rely so much on volume of output, such companies can better survive the rigours of the recession.

As far as the majors are concerned it is a question of battening down the hatches until the storm subsides. The rationalisation and streamlining which has been a feature of the past five years has left very little extra "fat" on the industry and practically the only area for savings is on the labour front.

But the companies are trying desperately to hang on to their people. They know that they will have little chance of getting them back once the upturn comes along. And, in any case, redundancies are extremely expensive to-day.

RHP actually made some people redundant—50 all told—at its Stonehouse plant. The company is to put 400 at Chelmsford—one of the plants which benefited enormously from its investment programme—on short time. Torrington's Darlington plant is also working a four-day week.

Naturally, most attention has been turned towards SKF's cost-cutting efforts because they are slightly more dramatic. SKF has told the unions it plans to close the Leagrave Road, Luton, plant by the end of this year and switch its production to Sundon, two miles away, where there is "adequate space available."

It will mean that around 216 jobs will go. This prospect does not appear to lessen the confidence of the unions in SKF's British management and so far there has been full union co-operation. For example, Mr. A. Sjogren, district secretary for the Amalgamated Union of Engineering Workers, believes that the reduction of jobs by 216 "could be absorbed reasonably painlessly over 12 months by natural wastage." He added: "I have no doubt this will be carried out in a reasonable and satisfactory way." In fact, the unions had been expecting the switch to Sundon since it was built 30 years ago.

### Drama

There has been a certain amount of drama connected with the SKF disclosures because they have come from the new managing director Mr. Carl-Otto Blomberg who took over about four months ago. But it was natural that the former managing director Mr. Bob Dickinson, while having his own ideas about what was necessary, should have left the final decision to the man he knew must soon succeed him.

SKF is to close its London sales office as part of the rationalisation programme and Mr. Blomberg has initiated an examination into the "present unsatisfactory operations" of the Irvine plant in Scotland. Irvine has been running at a loss.

Mr. Blomberg has told the

CONTINUED ON NEXT PAGE

# International operations

THE BEARINGS market has long been an international one: that, indeed, was one of the principal factors behind the old Industrial Reorganisation Corporation-inspired merger of the last major British-owned bearings companies back in 1969 which resulted in the creation of Ransome Hoffmann Pollard, the U.K.'s biggest indigenous producer.

Then the question was one of ownership—such majors in the U.K. industry as Skefko (now SKF U.K.), Torrington, Fafnir and Timken were all subsidiaries of overseas parents, and it looked as though the three companies which now comprise RHP might join them in coming under foreign control.

To-day, the issues are different. The foreign presence in U.K. manufacturing is very much accepted but RHP, still receiving State support — in December it was announced that it would receive a £4.9m. Government loan under Labour's proposals for the bringing forward of investment programmes—is firmly in British hands and would be *unlikely to be allowed to be* bought by an overseas concern even if such a prospect should arise. Where there is concern, rather, is with the degree of penetration of the U.K. market achieved by importers.

## Illusory

In 1975 importers' sales will probably turn out to have been at around the £55m. mark in a total market worth about £170m. In the first 11 months of the year, imports to the tune of £50.4m. were delivered in Britain compared with £46.4m. in the whole of 1974. The increase is, probably, illusory; by weight, imports between January and November last year amounted to 16,224 tonnes, which suggests a year-end total slightly down on 1974's 18,437 tonnes, but then the market, *overall*, has in volume terms dropped back as recession has continued its icy grip on the U.K. economy.

At the same time, the U.K. industry's balance-of-trade position has seen a *marginal* improvement. In 1974 this country ended up a net importer of bearings: exports, at £40.6m. (20,457 tonnes) were worth nearly 13 per cent. less than imports. Last year Britain returned to its traditional position as a net exporter—just. Exports in the January-to-November period amounted to £51.5m. (20,054 tonnes) or just 2 per cent. more than imports.

Nonetheless, the overall situation has remained little changed, with imports, worth little more than £10m. in 1969, continuing with a strong-hold on the market and exports *actually declining in volume* terms. Imports, indeed, have gone up fivefold since 1959, while British bearing sales overall have grown only around two and a half times in the *same period*.

The most dramatically successful of the importers has, as in so many other sectors of industry, inevitably been the Japanese. The rapid growth in their sales here in recent years —3,251 tonnes worth £6.4m. in 1974 compared with a likely end-1975 total of around 3,900 tonnes worth about £8.8m.—has brought angry protests from the companies manufacturing in the U.K., notably RHP, as well as top-level semi-official intervention by the U.K. Government in Tokyo.

Charges of dumping were *levelled, though not proved, and* a good deal of anger was generated by Japanese concentration of the industry's bread and butter lines which could be produced far more profitably—and sold more cheaply—if there was no need to spread manufacturing resources across the whole range of bearing products, as the U.K. producers by and large have tried to do.

The Japanese invasion was not, of course, peculiar to Britain: in Italy Japanese imports were banned, in France an informal quota agreement achieved (as, less successfully, it was in Britain), and in the U.S. anti-import proposals were drawn up which, while not specifically naming the Japanese, were patently aimed largely at them (90 per cent. of America's bearing imports were from Japan).

Also in the U.S., a dumping charge against the Japanese was made to stick.

The price differentials between Japan's products and those of the domestic industry appear to have lessened—even though on some lines Japanese bearings are said still to be up to 30 per cent. cheaper than the equivalents made in the U.K.—and the threat posed to the British producers consequently diminished.

Japan, however, is not the biggest importer into Britain. That place is held by West Germany, home of the giant FAG group, whose sales to the U.K. last year probably amounted to around 4,480 tonnes worth around £14.8m. compared with 4,683 tonnes worth £13.51m. in 1974.

## Top end

The U.S., too, is a major source of imports—perhaps not surprisingly in view of the fact that three of the biggest U.K. bearings companies (Fafnir and Torrington in addition to British Timken) are American-owned. In 1974, the U.S. sold Britain 3,490 tonnes of bearings worth £10.9m., a massive rise on the previous year (the difference in value between U.S. and Japanese sales despite the fact that Japanese imports by volume were very similar to those from America reflects the American drive at the top end of the market rather than the more mass-production bread and butter lines favoured by the Japanese), and the advance *continued in 1975* with U.S. sales here of around £12m. even though there was a downturn in volume terms to about 2,080 tonnes.

Sweden, again with a major stake in the U.K. industry through SKF's subsidiary here, also supplied a significant part of the British market. In 1974 it sold 1,597 tonnes worth £3.3m.; last year's figures are likely to come out at around 1,789 tonnes *and £4.7m.* Then there is France, with 1974 sales in the U.K. of 1,004 tonnes (£2.5m.) and a likely 1975 total of 1,385 tonnes (£4.4m.).

A large part of the French figure is accounted for by one company, SNR Bearings, a subsidiary of the State-owned Renault group which, really active in the British market only since 1970, notched up a sales total of about £2.5m. in 1975 and, like other importers, expects to increase its market share this year.

While these figures do not, to say the least, give the U.K. industry any cause for complacency (though it is worth noting that RHP's is something of a success story too), they do serve to emphasise the international nature of the bearings business.

The company which probably exemplifies this is SKF, the Swedish-owned engineering giant which is the acknowledged world leader in the bearings industry with its plants in most of the world's main bearings markets (including West Germany, Italy and France in Europe as well as Sweden and the U.K.) and bearings sales worldwide of Kr.3.6m. (£400m.) in the first eight months of last year. SKF has taken the internationalisation process further than any other bearings manufacturer, with a programme of rationalisation between plants in different countries (and different plants in the same country, as its plans to close its Leagrave Road, Luton, factory and transfer operations to its nearby Sundon plant show) governed by its pace-setting Global Forecasting and Supply System which each year allocates work to the company's 70 factories (not all of them producing bearings; SKF has other major engineering and steel interests) on a worldwide basis, with each plant specialising in certain lines.

SKF may be at the forefront of this rationalisation trail, but the pattern is one being followed to a considerable extent by its competitors. Thus, Timken set up Timken Europe in 1973, with headquarters at Northampton, to integrate the manufacturing and marketing operations of British Timken and Timken France, while Torrington has been rationalising its production in Britain and West Germany. In both cases, the U.K. plants are in consequence, significant exporters.

## Logical

RHP, too, has undergone a great deal of rationalisation between the various U.K. plants it inherited, getting down to a much more logical pattern of operation while maintaining a heavy programme of investment in new plant and equipment.

Notching-up sales of £63.6m. (including direct exports of £12.6m. in addition to sales by overseas subsidiaries) in the 12 months to October 3, 1975, against £52.1m. in its previous financial year, the group has also extended its international operations by taking a major stake in Industria Cuscinetti, the Italian bearings manufacturer, thus gaining a source of supply of sperical roller bearings.

*As far as the Japanese are concerned*, the NSK factory at Peterlee is a prime example of international rationalisation by the industry. With a capacity of 1.4m. bearings a month by next year, if all goes to plan, this is aiming to export 50 per cent. more of its output, acting as the Japanese company's main entrée to the Common Market. And NSK is not the only Japanese company now manufacturing in Europe; NTN, another Japanese major (which has a marketing link with the British engineering group, GKN), has been setting up a plant in Dusseldorf.

*Now, with demand still* depressed generally, and in the U.K. in particular, this internationalism within the industry is obviously going to be of still greater importance. There are signs of an improvement, especially on the Continent—the French, German and American motor and consumer durable industries, for example, have experienced something of a recovery in sales while the *British industry is still waiting*, and motor manufacturers and consumer durable producers form a large customer sector for bearings manufacturers—but the feeling is that U.K. demand is unlikely to get better till the latter part of the year at the earliest.

According to the latest report *from the mechanical engineering* Little Neddy, no increase is foreseen in the next six months for either the electrical appliance or automotive industries here, while the position is only relatively better in terms of output destined for heavy engineering applications. Thus, though U.K. exports have kept up better than might have been expected 12 months ago, and there are opportunities abroad with the economic upturns now in view in some other countries, the lean times look set to continue.

And this means that overseas competition is going to continue to be highly important; there have even been suggestions that the acrimony over Japanese sales could re-appear to a degree not experienced for some time.

In the long term, however, it is not necessarily the Ja[...] from which the Wester[...] ducers have most to[...] Within the industry, it[...] East Europeans wh[...] *beginning to be regar[...]* more of a long-term [...] Russia's bearing imports [...] U.K. last year amoun[...] around 416 tonnes or £[...] (446 tonnes and £431,[...] 1974); Poland's to arou[...] tonnes or £326,000 (193[...] and £265,000); Czechosl[...] to around 137 tonnes or £[...] (222,000 tonnes and £2[...] and Romania's to arou[...] tonnes or £195,000 (259[...] and £315,000).

But their prices are [...] per cent. or more down [...] homemade article in [...] sectors. And the quality [...] products, till recently [...] suspect by potential bu[...] increasingly regarded[...] acceptable, particularly [...] light of the price adv[...]

**David W[...]**

# Upturn

CONTINUED FROM PREVIOUS PAGE

unions that a detailed analysis of the U.K. results for the first six months of 1975 showed them to be "totally unsatisfactory." He added: "Because of the downturn in the general economy of the country, inflation, excessive operating costs and over-manning at all levels throughout the company we can no longer finance new investments in plant and machinery needed to safeguard our future and compete effectively in the market."

He said projections for 1976 showed "no improvement" and that a study of products, factory facilities and production costs led to three main conclusions: "The size of our operations does not justify the existence of three factories; we cannot afford to operate three factories because of the tremendous overhead burden; and, finally, we must concentrate our production facilities as quickly as possible."

On manning levels—SKF has 5,800 people in the U.K.—Mr. Blomberg maintained it may be established the company has more employees than would be required in the future if it was to be competitive. "The company will continue to rely on natural wastage but we must face the fact that we cannot continue to operate at the present level of manning."

This re-examination of the bearings busines comes just at the time when SKF has enlarged its U.K. interests by the acquisition of Sheffield Twist Drill and Steel. That company cost the Swedish group around £12.5m. This was an attempt to take into the group operations which are allied to bearings and yet do not have the same demand cycle. RHP has also been to market for the same reason and paid £3.8m. in shares and loan stock for MTE, the electrical control gear manufacturer, as a counter-cyclical investment.

The companies are also being squeezed by the effect of the recession on their prices and by increased raw materials costs. Last year's round of steel price increases pushed up costs by between 25 and 40 per cent. with many bearings companies taking the full brunt of a 40 per cent. rate. Wages, another important cost element in a fairly labour intensive industry, rose by 28 per cent. in the year to June, 1975. Fortunately the cost pressures have eased this year, but the British Steel Corporation has another round of price rises in the pipeline—this time of 10 per cent. on average.

In the home market the bearings producers, tied down by the Price Commission during the good times, are now finding the pressures of the market place pushing prices down. There is a widespread feeling in the industry that the Japanese manufacturers are "dumping" again but this is something which is so hard to prove that nobody seems about to make an official complaint. However, how can the Japanese sell in the U.K. at 20 to 30 per cent. below the manufacturing cost (not the price) of U.K.-made bearings if they are *not dumping*? That is what the industry asks itself.

In export markets U.K. manufacturers face a similar price war. The recession has hit all the industrial countries at about the same time on this occasion. And the industry has been losing price competitiveness in overseas countries as the U.K. rate of inflation rages at a rate well above that of its major competitors. The slide of sterling has not been fast enough to compensate.

Imports of bearings to the U.K. probably account for at least 35 per cent. of sales, a fivefold growth since 1969. As the home market has grown by 2.5 per cent. a year, imports have increased their market share. In 1974 the industry actually went into a balance-of-payments deficit but last year, when U.K. industrial activity was dropping fast, moved back into a favourable balance. U.K. companies just had to export to keep up volume and RHP pushed up export sales from 25 per cent. to 50 per cent. of output. The opening of the NSK plant at Peterlee, which is pledged to export at least half its production, should contribute to the U.K.'s favourable balance in future years.

هكذا صدر الأصل



# The Japanese move in

OF THE major events in .K. bearings industry this will take place in April Nippon Seiko Kaisha brings its new plant at ee, Co. Durham, into ion on time and more or n scheduled budget. In of the recession NSK on with building the which should have overany running-in problems e neatly to take advanf the upturn in demand gineering products, foreor the last part of 1976.

only is the Peterlee plant portant addition to U.K. gs manufacturing capa: also was at the centre siderable controversy two ago when NSK announced to be set up. The U.K. ment dismissed the proof the other bearings cturers and gave the gofor the NSK scheme and rantee of State aid—h development grants.

Peterlee plant will have ound £8m. when it comes am in April, and 20 per of that, or about £1.6m., ve been provided by the Government.

recruited nine key ians some time ago and ad four months' training K's Otsu plant in Japan. he past few weeks it has cruiting other personnel. are mainly semi-skilled the factory is highly ted.

ng the initial phase the will be built up to a where it will have six ion lines and a capacity bearings a month. This should be reached by which time the plant employing 220 people.

is among the top five bearings producers in rld. Last year its sales ings alone reached the ent of $357m. That was r cent. of its total turnf $373m. The group bearings for many it industries but it is larly respected for its uality bearings for the motor industry.

other products manufacby NSK are analogous rings both in terms of tion requirements and s of the market to which e sold and include autocomponents, machine parts and spinning parts. It also offers l services to outside rs.

ment has already been that the new plant will one-union" factory and agement will be dealing Amalgamated Union of ring Workers. Mr. asa, who arrived from aris office just over a o to take over as g director of NSK Bearope, says that Japanese on methods will be whenever possible we know from exthat they work." The mix the best methods an with the best pracn the U.K.

lchpin of the Japanese the tradition of lifeployment binding emnd employer together of mutual trust, loyalty ation. The tendency, is for the employee orward to job security working conditions employer on his part nably hope not to lose e.

ars ago the NSK project became something of a *cause célèbre* in the U.K. bearings industry. The scheme particularly upset Ransome Hoffmann and Pollard which, ironically, was the result of a merger prompted by the Government-sponsored Industrial Reorganisation Corporation in order that Britain might at least retain some of its own bearings manufacturing capability instead of leaving the entire industry to foreign-owned concerns.

## Excess

RHP protested there was already excess capacity in Britain. It pointed out that since 1969 Japanese bearing imports to the U.K. had "cost 1,750 jobs in the industry." The high volume of Japanese imports had been achieved by the quotation of low prices ranging from 25 to 40 per cent. below those for British-made products, RHP insisted.

The Ball and Roller Bearing Manufacturers' Association also made it clear it felt that there was already sufficient capacity *to meet the demand* for the range of popular metric bearings NSK will manufacture. Government investment, if needed, should be to the home industry, it maintained.

Further, the new factory would give the Japanese competitors an entry on equal terms to traditional U.K. export markets and in some of them it is still a "plus" point to have "Made in England" stamped on your products, said the association.

The Government's view, however, was that there is a gap in the European market for medium-range bearings. It said the Japanese should be encouraged to invest in the U.K. rather than in some other Common Market country from which NSK would export to Britain.

*Certainly NSK would have set* up in Western Europe whatever the U.K. Government had decided. The Dutch Government had made some very attractive overtures but NSK decided on the U.K. because of the investment grants that were available and because communications are so good here. (Not least of the communications assets is that every Japanese studies English as a compulsory second language.)

NSK's European business had already reached the stage where a production base was justified—sales in Europe in 1975 were $33.6m. or 37.2 per cent. of turnover. And the Japanese company was worried about what protectionist measures might be taken by EEC countries in the future.

There were considerable safeguards built into the agreement between the U.K. Government and NSK. It was agreed that the NSK plant should be in an assisted area—making it plain that one of the major considerations was the creation of new jobs in Britain—and that at least half the output should be exported. (Mr. Iwasa says that, because of the recession in the U.K., the Peterlee plant should be exporting well over that percentage to start with.)

It was also demanded that at least half the value of the bearings should be added in Britain to prevent the factory going for the simple assembly of bearing parts shipped in from elsewhere and should have considerable U.K. raw material content. And it was stressed that the investment should result in "considerable substitution" of current Japanese imports of bearings.

*At the time the agreement was made this last factor had* assumed considerable importance to the U.K. industry. Late in 1973 there were signs that the Japanese manufacturers were not entirely willing to renew voluntary restrictions on imports which had been agreed to in industry-to-industry talks.

The Japanese had argued that, because of the change in the parities of currencies, they were no longer undercutting U.K. prices and that free competition should be allowed. There were also signs that the EEC Commission was not happy about the U.K.-Japanese arrangements.

The agreement was also signed at a time when a highly automated factory near Dusseldorf had just been completed by the Japanese NTN company, which has links in the U.K. with Guest Keen and Nettlefolds, and raised fears of an onslaught of imports from other such factories placed strategically in Continental Europe. At that time, early in 1974, the Japanese were concentrating on some 40 lines of bearings to send to the U.K. NSK's own exports to Britain were worth in the region of £800,000 and, though they have moved up a little since then, NSK still accounts for only between 1 and 2 per cent. of the U.K. market.

This should undoubtedly improve once the Peterlee plant comes on stream and NSK can offer bearings "made in Britain."

**Kenneth Gooding**

# Investment problems

IN VIEW of economic circumstances, major bearings companies have been persistent in the level of investment in the U.K., but there remain nagging doubts about the industry's ability to generate sufficient return on capital invested. The start-up of the new NSK factory at Peterlee, Co. Durham, will be watched with great interest in this respect.

It is known that the Japanese tend to look for a lower rate of return on capital, but the degree of automation in the plant should prove extremely useful, particularly if production can be wound up in line with a world recovery from the economic recession. However, there remains some resentment within the U.K. industry that the British Government should have chosen to provide what will amount to around £1.6m. for an operation which is seen as a direct threat to home producers.

On the other hand Ransome, Hoffman and Pollard has also benefited from Government loan facilities. Although a massive £14.2m. has been invested by the company since the start of its reorganisation in 1970, the Government has decided under its policy of bringing forward planned investment, to grant RHP favourable loan facilities for £4.9m. over two years.

RHP intends to invest about £4.5m. in total this year and intends to continue at that rate for the next few years, continually renewing facilities and increasing capacity, which in the immediate future will be aimed at export markets. It is understood that its investment to sales ratio is not far off the industry average of around 6 per cent., but until the currently depressed home market begins to pick up return on this investment is unlikely to increase significantly.

It is clear that investment in times such as these, when most factories are working well below capacity, is of a very different nature to that made during periods of boom. In the years of reorganisation RHP has managed to increase profit on capital employed from 10 per cent. in 1970 to nearly 19 per cent., but one wonders if this can now be bettered.

## Drastic

The crucial need, in times of inflation, to maintain a fair return on capital is perhaps best illustrated by the drastic but clearly necessary measures taken by SKF *in response to poor first* half figures last year for the U.K. operation. This action was to announce the closure of its Leagrave Road plant at Luton and transfer the majority of work to nearby Sundon.

SKF made it plain that it regarded its investment in three factories as far too high for the size of the operation and the results achieved, but nevertheless intends to invest an additional £1.7m. in the U.K. next year in addition to the £3m. already planned. How much of this will go into new plant and how much into rationalisation is an interesting question. But management has made it clear that it is seeking better returns on capial and people employed, despite the fact that output per man in the U.K. is roughly in line with the SKF world average.

This is a path well-trodden by *RHP, which has been generally* successful in its stated policy of modernising its production facilities while at the same time improving bearing quality and reducing direct labour costs. During this period capital investment has not been covered by depreciation or profits, but mainly by reducing working capital. It claims that comparative to its size, it has carried out the heaviest investment programme in British engineering.

The British and indeed world bearing industry has gone through a period of rapid change which has meant any company which did not invest was in danger of being left behind. The list includes British Timken, a world leader in tapered roller bearings, which is expected to get a good share of the world operation's spending of £100m. over the next four to five years.

Fafnir, also American-owned, is understood to be undertaking a £2m. expansion aimed at substantially increasing its U.K. capacity; Ina and Torrington are also known to be investing, clearly aiming at being ready for a return to more normal levels of demand. But underlying all this, one of the most important common factors within the industry has been the rationalisation of bearing sizes, precipitated primarily by the Japanese.

This has led to greater automation of production—a major item of capital expenditure—which in the long term is expected to allow U.K. companies to compete on equal terms with Japanese companies, whose tactics of mass-producing popular-sized bearings has proved to be so successful in world markets.

Perhaps the most valuable criterion on how effective investment has been is looking at it in terms of worker productivity. RHP in the years immediately following its formation had a turnover of £40m. from 15,000 employees. This has been slimmed down to a workforce of 10,000, giving an output per man of £6,050—two and a quarter times the value when formed. As stated earlier, its profit on capital employed rose accordingly. By comparison SKF has reduced a workforce of 5,807 (with a turnover of £22m.) to 4,965, virtually doubling its output per man in the last six years to £8,500.

Most companies are aiming for better flow-line techniques, improved machine parts and better output per man. This can only be achieved by greater mechanisation and consequently heavy capital expenditure. This inevitably means a reduction in workforce and although unemployment is at an unacceptably high level, the Government has little alternative but to encourage greater efficiency in the industry.

**Lorne Barling**

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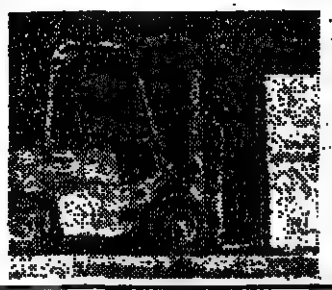

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# The Marketing Scene

W PRODUCTS

## …ore care is needed

…OUR MARKETING EDITOR

…1974, when the marketing …went sour, there was a …of new products which …nued into 1975. In 1976, …things should be getting …r at year's end, there will …wer new products appearing …few companies seem likely …ave new brands on the …et to take advantage of any …recovery.

…is is because it takes a long …to develop and test new …icts and the prosperity of …spawned many hopefuls …appeared in the shops …the boom had disappeared. …classic example is skillet …, a concept brought over …the U.S. and like many …projects doomed to failure …because of the high retail

…experienced companies …d out brands last year …e they were fully tested …se the marketing men were …of the accountants axe …vanted to get their pet pro… on the shelves while there …till a little money left. KAE, …esearch company, reports a …d number of new lines in …rs in 1975.

…s has been the problem. …rapidly evaluated brands …been marketed with …ed advertising budgets and …esulting failures made last …a particularly bad time for …brands. Even companies …an excellent reputation in …eld, such as Heinz, have …unstuck. The situation may …st any better with the pro… that do appear this year. …ry, for example, which …y tests very rigorously, is …ing to launch new confec…y products almost on a …ual basis.

…ustifies this because it has …tested the brands heavily …waiting for the right time …them before the customers. …manufacturers may be tak…reater risks and there is …nly an understandable …to introduce new lines on …heap. Perhaps a better …gy would be to maintain …ull testing programme — …tests, a RBL mini van or …ative simulated market …nd then the regional launch …the top prospects, while …ing any available new ideas …to revitalising existing …cts or line extensions.

…re is much to be said for …lisation of known profit…s. Oxo is perhaps the …example, but more recently Ovaltine has shown its durability after being repackaged and Lever Bros. has maintained Persil as a major brand for over 50 years. Another recent success is Boots No. 7, a brand with an appeal to old ladies which was repackaged and advertised and has now become of the best selling cosmetic lines in the U.K.

The Boots example is quoted at length in a book on new products by Brian Andrews, a director of John McCormick Marketing Associates*. This is an excellent practical guide for all those marketing managers who are wondering how they went wrong last year. There is no academic pretention about the slim volume, which steadily covers all the steps in creating new brands, from the reasons for innovation, through the generation of ideas, to distribution and market research.

It should help those responsible for introducing new lines to develop the cardinal quality—an ability to stand aside from the brand and to follow the research findings. New products fail mainly because of faults in the product and its packaging, the two aspects which should have been noticed in the development stage. It is the commitment of personal prestige and a reluctance to admit a small financial loss which precipitates the launch of unwanted brands.

Apart from revitalisation, companies are realising that line extensions are a cheap way of picking up additional business. The product idea has already been accepted and the technology is available. Adding a new recipe and broadening the appeal can be a cheap and profitable process.

Perhaps the encouraging thing is that companies are still persevering with new products despite the decline in real growth in most grocery markets. To some extent this is because they set up specialist new product departments and have to keep them going for long enough to evaluate their worth. But it also means that managements have taken to heart the product life cycle and have appreciated that future sales growth stems from future brands. The recession has dampened some of the enthusiasm for developing products but not disturbing the need.

* Creative Product Development; Longmans, £6.95.

## …yopia revisited

…UBREY WILSON, INDUSTRIAL MARKET RESEARCH LTD.

…DORE LEVITT is to …ting what the Pope is to …n Catholicism. It seems …ible that his article …ting Myopia is now 15 …old and to find it as often …to-day as it has been at …me since it burst on to an …hed marketing world and …marketing men to look …their narrow band of …and ask that funda… question "what business …in?"

…in the current issue of …arvard Business Review, …ster looks back to make a …ective assessment on the …misuse (not to mention …ss plagiarisms) of his …One phenomenon Levitt …erved is that the article …d a greater impact on …al companies than con…product companies. …gically, Levitt achieved …set out to achieve since …mbers of businesses have …both the product and …parochialism he deplored …and some results have …ectacular: "on the operating level there has been an extraordinary heightening of sensitivity to customers and consumers; R and D departments have cultivated a greater 'external' orientation towards uses, users and markets."

On the negative side, however, the article notes some bizarre results. "Some companies have developed what I call marketing mania"—they have become obsessively responsive to ever fleeting whims of the consumer.

"Management has expanded product lines and added new lines of business without first establishing adequate control systems to run more complex operation. . . . Companies that are functionally organised have converted to product, brand or market based organisations with the expectation of instant and miraculous results. The outcome has been ambiguity, frustration, confusion, corporate infighting, losses and finally reversion to functional arrangements that only worsen the situation." Ah well, an idea is not responsible for who believes in it.



Advertising spending will buy less media space this year, a fact which is forcing companies to look more closely at value for money, reports **Antony Thorncroft**

# Media buying in the melting pot

FOR years companies have been reluctant to become involved in the cumbersome and complicated task of buying advertising—they have left it to their agencies. But this year, while other costs may be rising less rapidly than in 1975, the cost of advertising and, in particular, television advertising, seems certain to increase sharply.

The TV contractors can justify the higher rates by pointing out that their prices have been comparatively low for the past two years, but this will hardly satisfy advertisers called upon to pay 25 per cent. more than last year for their television time this spring. To make matters worse advertising budgets are not being increased in line with inflation so companies will have to work much more closely with their agencies in an attempt to make less go a lot further.

This is the kind of climate to encourage experimentation, and these days advertising agencies face a challenge in their most traditional function, buying media space or time. Advertisers are starting to question whether their creative and media needs must inevitably be handled by the same company: there is an inclination to shop around. This inclination is fostered by the fact that there are now over a dozen independent media companies offering research, planning and buying.

Another area of innovation is centralised buying, whereby big advertisers, using two or three agencies, channel all their media purchasing through one source in the expectation of a better discount. If the COI, the U.K.'s largest advertiser, decides to buy all its television (it already centralises its Press needs) through one agency a number of advertisers that have been weighing the pros and cons may follow suit.

## New force

Another new force in the bubbling media sea emerged this week with the announcement that Boase Massimi Pollitt was backing a new company, Media Audits, to market the Cost/Rating Index, a service to large television advertisers which informs them how they are buying time in comparison with other advertisers. BMP will hold 49 per cent. of the shares in Media Audits while the directors, headed by Geoff Ballington who used to co-ordinate Unilever buying at Lintas, will control the majority.

The Cost/Rating Index is already a viable operation, with enough clients to provide it with £15m. worth of television advertising statistics a year. The aim is to double this figure. The Index will supply monthly information to its subscribers (who pay £3,750 a year for the service) informing them how their cost per thousand compares with the Index in various sectors, such as housewives and in the various ITV regions.

In time refinements will be added, showing how a particular beer brand compares with a Brewery Index, and so on. In addition researchers from the Index will visit the clients to advise them about their television buying performance since few companies can afford to hire their own media specialist.

Obviously the media departments of agencies are unhappy about this watchdog company which claims that the brands it monitors are advertised through 18 of the top 20 agencies. BMP justified the Index by pointing out that hardly any agencies can now offer separate media research departments to clients —media personnel have suffered badly during the recession in advertising. So advertisers problems have grown while their agencies have fewer experts to assist them.

There is a danger that the ITV companies may try to respond to the Index by giving, temporarily, favourable rates to the worst media buyers among agencies in order to retain their business. But the enterprise is already big enough to make such a task self-defeating and the ITV companies are generally supporting a company which, after all, is committed to improving the effectiveness of television advertising.

Don Beckett

Chris Ingram

The acknowledgment that buying television time is a very different business from creating television commercials, whereas on the Press side media and creativity are more closely aligned, has been the driving force behind the establishment of the independent media consultancies in recent years, and they should benefit from the appearance of the Cost Rating Index which will be able to prove to companies whether the independents really do buy advertising more cheaply than the agencies.

The media consultancies have grown steadily but unsensationally in the past four years and are now a force to be reckoned with. Their main problem is their tendency to fragment, with an experienced media buyer breaking off to start his own operation. This is always happening to Media Buying Services, the largest in the field with a billing of £9m., and Keith Fisher left recently to join the competitive Collyer, Daish. Even so, Paul Green kept the clients, and is currently placing advertising for K-Tel, BAC, Sekonda Watches, Alberto-Culver, and Fabergé, among others, along with work for agencies, for Green points out that new advertising agencies are invariably looking for specialists to book their media while they concentrate on creative and account work.

## Founder

A breakaway has also recently occurred at the Media Department, the Kimpher-owned media company, where the founder-director Chris Ingrams has left to set up his own business. The Media Department has always been slightly inhibited because it is owned by an agency group. This prevented it in the past from working for smaller agencies, and even the Kimpher agencies have retained their own media-buying teams on the Press side, but the company has prospered by placing media for advertisers like ICI and Marks and Spencer, and is now negotiating to work for an agency. The problem is the usual one. The agency has a client who wants to try television advertising, but it has not the expertise to book the campaign. It is quite usual now to go to a media buyer in this situation. All told, the Media Department could bill £9m. this year, of which £4m. would be TV time for Kimpher agencies.

Ingrams set up on his own because "the potential is enormous." He already has two clients, one in the significant field of packaged goods. In the past, the advertisers that have used the media independents have mainly been companies who need little creative help, like the television promotion companies Ronco and K-Tel; unfashionable advertisers who are unpopular with agencies; large companies who put new products, or one-off campaigns, or experimental promotions, with the new force (ICI and Bass Charrington fall into this category); and retail outlets, who have a tradition of negotiating direct with the media, especially the big London stores like C and A, Selfridges, and Debenhams.

But now it seems that more conventional advertisers are trying out the independent media shops. Olivetti has recently appointed the Media Department and Vaux Breweries is using a creative consultancy, John Simmons, and the Media Business to book its TV time. The Media Business, which numbers four agency media directors among its staff has also recently started to work for Cape Fruit and EMI and this year expects to place £4m.

It belongs to the new generation of media companies in being very solid and offering advice as well as buying. Founder Don Beckett says "we are in the middle of a trend. Even the largest agencies are looking outside for help." Smaller staffs and sudden crises mean agencies are forced to buy help, especially research and planning, from the outsiders.

One of the problems for the independents is that like creative consultancies, they work for many advertisers (and agencies) who do not want to publicise the fact that they are not advertising in the traditional format. However, some small agencies are now parading the fact that their media is bought by outside specialists — for example the Media Business works for the Astral Group and Cherry-Hedger — but advertisers are more cautious. One new account the Media Business can announce, however, is that it will be working for Ronco on a television promotion later in the year.

Interestingly enough the next Ronco product to be marketed will have its media bought by Greys, the advertising agency, which like NSW is offering its media expertise to non-agency clients. Other agencies have looked at the potential in spinning off their media department as a separate profit centre but the mixed fortunes of Kimpher have been a restraining factor. As a first step McCanns and CDP have experimented with subsidiaries which book overseas advertising for non-agency clients, a service not too readily available in London.

All this encourages a much more flexible media scene, and in a year where the work of the Office of Fair Trading on restrictive practices makes the whole framework of advertising economics, in particular the commission system paid by media only to registered agencies, subject to doubt, flexibility is certainly the key to the future. In practice many companies are already negotiating with the media and all but placing their own advertising, just as advertising agencies are relying on fees to stay solvent at a time when budgets, and thus their commission, are being trimmed by clients.

## Effective

It is not in the interests of advertisers to harm the financial viability of their agencies who generally do an effective job for a modest reward. What is happening is a willingness to be more pragmatic. Companies often now employ ex-agency executives or marketing men familiar with advertising. They sometimes feel they do not need an agency account executive coming between them and the media.

There is also greater interest in the effectiveness of advertising. Bass Charrington, for example, has a beer, Allbright, on sale in Wales which was not doing well. The managing director devised a TV idea, internal creative people worked on it, and the Media Department bought the time. And the beer has markedly improved sales.

This desire on the part of advertisers to get more involved with advertising—which after all consumes £950m. a year—is good for the independent media buyers. In the same way that advertisers are realising that often their creative work is done by outside consultancies, though presented by their agencies, they are aware of the existence of media specialists. Most companies think it a wasteful bore to handle the different parts of an advertising campaign internally—agencies can usually do it more efficiently at less cost. But there will always be cases—a new brand, a part of the country, a cherished campaign, a difficult task—where the alternative to an agency could be the right solution. Already the independents book around £25m. of advertising from media, who are quite prepared to deal with them. The total will grow greater in 1976.

Judie Lannon

J. WALTER Thompson in London has appointed its first woman director, Judie Lannon. She is currently head of JWT's creative research unit. Tony Scouller and Allen Thomas have also joined the Board, but John Humphries has retired to form a new company concerned with golf graphics.

● THE Legal and General has moved its advertising account out of Ogilvy Benson Mather and given it to Kirkwoods. The company, the biggest pension house in the country, has adopted a much more aggressive marketing approach in recent years with a substantial amount of its £300,000 advertising budget going on TV. The choice of Kirkwoods, which has built its reputation around package goods advertising, suggests that the Legal and General is even more committed to selling.

● KP FOODS, part of United Biscuits, has moved the advertising for its nuts from Saatchi-Compton to Geers Gross. Expenditure is around £300,000. As compensation Saatchi-Compton will look after the launch of Skips, the first of KP's planned range of corn based products.

● MACLAREN'S seems set to lose its last piece of CPC advertising — Knorr Soups. The favourites to handle this £500,000 account are BMP, which looks after Mazola for the company, and Kirkwood's, recently appointed for Gerbers.

● DAVID ALLISON has left Connell May Steavenson to join Primary Contact as creative director on BMW and Spear and Jackson.

● NSW Partners is to handle TAP, the Portuguese national airline and PNTO, the national tourist office, from February 1. Expenditure in 1976 is likely to be around £300,000.

● TED Bates is to handle the advertising forthwith for Dry Sack sherry.

## TV short in Spring

YET another agency is showing its media mettle by coming out with a report on advertising prospects. But Roe Humphreys can claim that its Trends in Advertising Media has appeared for four years now. Its view on the first three months of 1976 is that they look "a great deal healthier for media owners than the corresponding period last year. Already some TV contractors are talking of restrictions in availability for the spring."

Last year, as in 1974, media costs did not keep pace with the rise in the cost of living, although the greater demand in the autumn made advertising more expensive and this is likely to remain true this year.

Looking at individual media, television increased its revenue by 18 per cent. last year, with the gain intensifying to 23 per cent. in the autumn. The report envisages much more expensive TV time in the spring, and points to the fact that Southern was forced to turn away business in late 1975.

In effect TV advertising will have caught up with inflation in terms of its price increase. Roe Humphries also suggests that the summer months, once a cheap period for advertising, will no longer be so—extra demand and low viewing figures made cost per thousand in 1975 higher than in the autumn, and the fact that ITV is not carrying the Olympics this year suggests another poor deal for advertisers.

On the Press the report points to the fact that the popular newspapers are relying on cover price rather than advertising for more of their revenue, and as a result are not prepared to accept advertisements at substantial discounts. There are paragraphs (and charts) about other media, making this a useful document for a managing director who wants to catch up, in five minutes, on media developments rather than a guide for those more intimately involved in advertising.

## A brace of hopefuls

● A NEW marketing agency set up shop this month. It has been formed by Ian Brown, Jimmy McGurk and Graeme Sims, all formerly with the FCB agency group. Brown and McGurk worked for the promotions company Underline, and Sims with Overlay Studios. They favour a commonsense approach and their first client is Sims—they plan to market his talents as an animal artist.

● IN a more specialised field Guy Cooper, formerly marketing manager of Thomson Yellow Pages, has set up a division inside Ronald Tanner Associates to provide a full agency service for Yellow Pages advertising. In New York alone there are over 40 agencies specialising in this area but Cooper reckons to be the first in the U.K.

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THURSDAY, JANUARY 22, 1976

# Pressures on the lira

THE CLOSURE of the Italian foreign exchange markets is a political gesture which may or may not prove to be significant in the context of the current governmental crisis; but it does not constitute, nor offer any reliable promise of, an answer to Italy's balance of payments difficulties in general or the outflow of capital in particular. By their action the authorities have drawn attention to the *seriousness of the pressure on* the lira and of the outflow from the reserves. But they obviously cannot want to keep the exchanges closed for very long, in view of the country's dependence on current international transactions, and by the time they reopen them again they will have to decide whether to continue official intervention to support the lira, and *if* so at what rate. In the meantime the Bank of Italy must be hoping that the move will have done something to concentrate the *minds of the politicians on the* seriousness of the economic problems facing the country in 1976.

### Disadvantages

In principle the Bank of Italy is under no obligation to support the lira, since it is not formally pegged to the European snake. *The dilemma is that the easy* course, of letting the rate take the strain, is not without disadvantages. It would no doubt bring about an initial improvement in the competitive position of Italian exports, and put Italian industry into a good position to take advantage of the economic upturn in the rest of the world as it develops this year.

There are real difficulties, however. After last year's deep recession, Italy too is looking forward to a moderate recovery in 1976, which the Organisation for Economic Co-operation and Development thinks will be accompanied by an acceleration in the rate of inflation. The rise in import costs which would follow a significant drop in the exchange rate which would follow a significant drop in the exchange rate would add to *these inflationary* dangers, which would themselves be exacerbated in terms of wage rates by the system of indexation.

An upturn in industrial output would no doubt ease the squeeze on company profitability, which has been made worse by the unions' insistence on work-sharing or shorter hours rather than redundancies. But the current round of wage negotiations, now nearing its climax, is likely to be made more difficult by the prospect of an aggravation of *inflationary pressures.*

### Bloated

Some of Italy's economic problems are similar to those *experienced elsewhere in the* world, notably a recession induced by the repercussions of the energy crisis. But to these troubles Italy has added difficulties of her own, including a bloated and inefficient administrative machine whose drawbacks were much less obvious in the years of the post-war boom than in the current period of economic strain. The last few years have been characterised by phases of stop-go which rival the British experience, while the Italian administra*tion is less well equipped to* operate a stop-go policy with any effectiveness.

A month ago the government launched an ambitious medium-*term plan for the restructuring* and modernisation of the Italian economy, and while this may reflect a new awareness of the need to make some fundamental improvements, it has yet to be demonstrated that it can be implemented, or that short-term pressures may not override long-term aims.

Some will no doubt see the downward pressure on the lira as a direct reflection of the government crisis, and in particular of the idea that the Communist Party may, in the event of new elections, become formally associated with the government: the connection is clearly there, but the root of Italy's problems, political as well as economic, is that it has been inadequately governed since the war. The oil crisis has exposed the consequences of the Christian Democrats' failure to modernise themselves or the machinery of government during the 30 years they have held office.

# Defining the task of the CBI

WHICHEVER party is in power, and whatever its economic policies, there is a need for an organisation to represent the views of industry to the public and the Government and to influence decisions which affect the welfare of industry. The CBI has not been doing this job well: that was the reason for the establishment last year of a committee to review the CBI's aims and organisation. Its report, published yesterday, makes several *suggestions for reform; other* proposals are contained in a new book by Lord Watkinson, who will shortly take over as CBI president.

### Structure

The impact of the CBI is partly a matter of personalities; much will depend on Lord Watkinson himself and on the successor to Sir Campbell Adamson as director-general. But the lack of effectiveness has also stemmed from the CBI's cumbersome internal structure. On this the suggestions in the report are surprisingly modest: it argues for the retention of the Grand Council in roughly its present form, the establish*ment of a President's Commit*tee to review strategy and to advise on tactics, a rationalisation of the committee structure and an enlargement of the role of the two deputy directors-general.

In Lord Watkinson's view the President's Committee would be a kind of Cabinet, with a senior businessman "shadowing" each senior Government Minister, while the director-general would have a similar in-house cabinet, with an official acting as the "*permanent secretary*" to the appropriate member of the President's Committee.

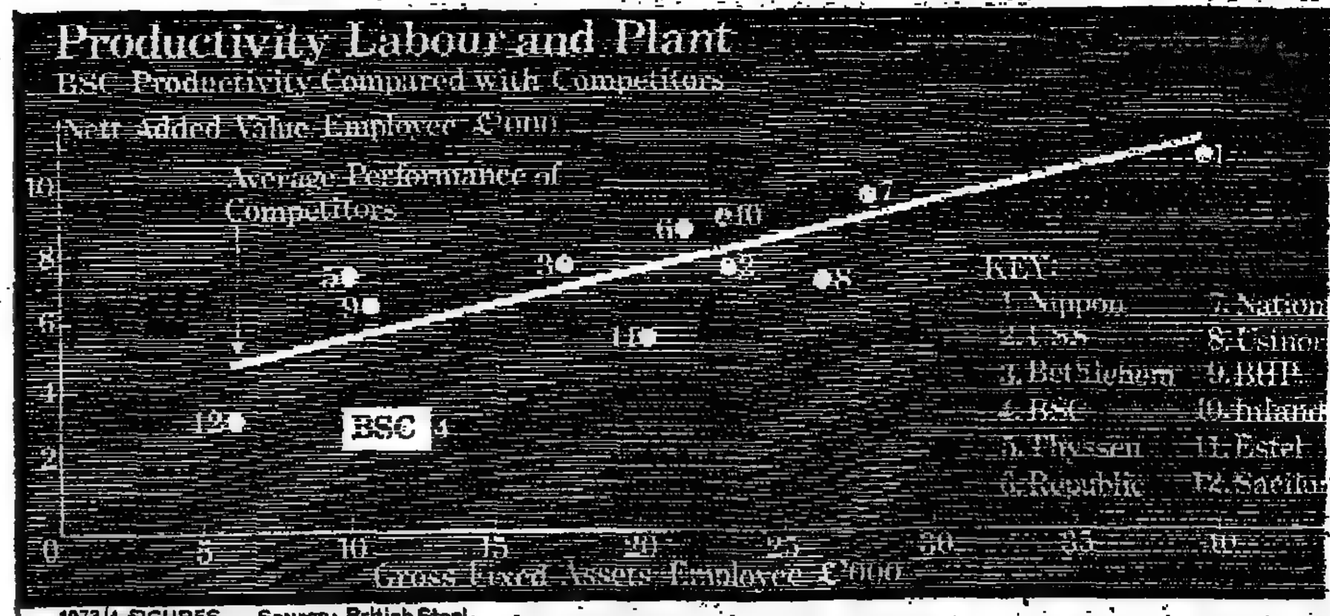
The quality of the people concerned, both voluntary and full-time, is *crucial: the report* stresses the need for greater "professionalism." It has been difficult to attract and retain junior to middle-level management; *more attention to career* planning is urged. All this will cost money: the CBI's income, amounting to £2½m. in 1975, is well below that of comparable bodies in other EEC countries. The report points out that if CBI members want their organisation to be effective, they must be prepared to pay significantly more to it.

To some extent the *CBI's* weakness reflects the weakness of the trade association structure in this country. The Devlin Commission's recommendation *in 1972 that companies should* normally be represented in the CBI through their trade association (and that direct company membership should be restricted) was not accepted. But the CBI is unlikely to be as effective as its Continental counterparts until the organisations representing the main industrial sectors are improved and their relationship with the CBI more clearly defined. This might have the extra advantage of ensuring that the interests of smaller companies are given proper weight. The recent formation of the Engineering Industries Council is a step in the right direction, but as long as some large companies believe they can do better lobbying on their own than through their trade association or even the CBI, the "voice" of industry will remain faint.

### Planning

The weakness of the *infra*structure beneath the CBI is one reason why Lord Watkinson's idea of a new national plan, starting with plant-level consultation, developed on a sectoral basis and reaching its apex in the NEDC, looks improbable, quite apart from any other objections to an elaborate exercise of this kind. The CBI and the trade associations have a limited but important job to do. The case for strengthening them does not depend on a belief in the corporate state, or that major economic decisions should be taken on a tripartite basis by the Government, the CBI and the TUC.

With another confrontation certain to-day between the British Steel Corporation and the steel unions over the question of reducing employment in the industry, **Adrian Hamilton** analyses the aims of the two sides in the fast-worsening dispute.




1973/4 FIGURES Source: British Steel

# Steel at the boiling point

TO-DAY sees yet another confrontation between the British Steel Corporation and the steel unions over the question of labour shedding. It is not, of course, the first such confrontation by any means. The history of steel throughout the past few years has been one of constant debates over productivity, pay and the Corporation's long-term *plans to streamline production* round a few high-volume, low cost plants. As the world recession in steel demand has deepened in the past two years and *the moment of decision about* closures under the ten-year plan has come nearer, so the temperature has risen.

In a series of dramatic occa*sions over the last year*, the Corporation has announced in public figures for labour reductions and has met with the TUC Steel Industry Consultative Committee (TUCSICC) to put its demands for cash savings on the table. On each occasion it has started with grand and final calls for action. On each it has teetered on the brink of a disastrous confrontation. And on each, it has compromised, only to decide a few months later that the deterioration in trading conditions and the lack of suc*cess of previous cost-reduction* measures demand new action.

## Chance of a major battle

Whether, as the battle lines are drawn, to-day's meeting will prove any more climactic than previous ones remains to be seen. Once again, the Corporation has put facts and figures to its demands, with a call for a 44,000 reduction in its labour force over the next two years and a saving of £170m. a year. Once more it has hammered out an agreement with the Consultative Committee in midnight talks. And yet again the agreement has started to fray at the edges as the craftsmen, the Transport and General Workers Union, and all the steel unions have rejected the proposals as they stand. At the same time, action at local level has brought production virtually to a halt at three South Wales plants Port Talbot Trostre and Velindre and —threatened to bring serious disruption to two other plants Llanwern and Shelon.

The confrontation could still totter on in further talks, further compromise agreement at national level and a continuation of serious implementation difficulties *at plant level*, just as it has done in the past. But this time there is no doubting the fact that the temperature at least is a lot higher than in the past and the chances of a *major* management-union battle that much greater.

In the forefront of the Corporation's worries is the really frightening deterioration in its trading position since its recorded profit of £144m. in the financial year 1974-75. The Corporation itself had always *taken the view that the cyclical* downturn in demand might be more deeply rooted than the optimists had suggested. But the extent to which de-stocking has continued, and is likely to continue through much of this year, has exceeded all but the most pessimistic estimates. Although there have been signs of at least a bottoming out of the recession in hard market terms, any real sales increase is barely perceptible and limited to a few markets such as the motor industry.

*In the meantime, the Cor*poration's losses, which were running as high as £2m. a week last summer, have now risen to around £8m. a week as its capacity utilisation has been reduced to 60 per cent. or less and demand has continued to sag.

As Sir Monty Finniston, the Corporation's chairman, has typically put it: "We might as well slap a five-pound note on every ton of steel we sell and be done with it." Without some drastic cost-cutting not only would the Corporation make a loss of some £340m. during the current financial year but it would need to borrow around £2bn. over the next two years.

One of the causes of the latest deterioration in union/BSC relations is, simply, that the industry has come to the end of what it can do through normal cost-cutting exercises *within the terms* of its previous labour agreements. The reduction in capacity utilisation at plants is, it argues, now causing serious problems in *maintaining quality and in meet*ing specific small-run orders. The Corporation, which last summer was confidently telling consumers that it would have sufficient capacity to supply demand at the turn of the year was by the autumn of last year making reserve arrangements to import steel on its own account and encouraging its customers to do the same.

## Production transfer

In seeking labour costs reductions now, part of the Corporation's aim is to restore its flexi*bility to transfer as much pro*duction as possible from high-cost to low-cost plants during the period of recession and to gain greater direction over shift and week-end working—the very points which the unions, having gained previous agreements to protect them from this, are anxious to avoid.

This in turn has brought to the surface all the traditional *sensitivities surrounding* BSC's long-term plans for reducing the number of its steel-making plants and dramatically reducing manning levels. However much the steel chiefs may deny the connection and insist that all they want is to avoid having to replace all the 20,000 or so men *who* leave the industry each year, their own approach has tended to provide fire behind the smoke. From the very beginning, the Corporation's approach to union negotiation has been marked by an association of immediate problems with the thought that, in tackling these, it is tackling questions of fundamental significance to the nation as well as to itself.

Unlike the coal and rail industries, the nationalised sector of the steel industry has produced for public discussion a plan based on expanding output, not contracting it, albeit at the cost of thousands of jobs. Its case for concentrating pro*duction on a few modern high*-volume plants, for technical as well as commercial reasons, is a strong one. Its claim, made constantly by its leaders, that its productivity compared *to its* rivals abroad is extremely low and that the French can produce as much steel as BSC with 40,000 fewer workers while the *Japanese can produce twice as* much with half the staffing has hardly been challenged.

It can assert—and does so frequently—that it has put for*ward its plans to the unions* at the earliest possible stage and done more than any other company to provide alternative job opportunities in the areas *affected*. It has continuously presented its long-term plans for consideration by the Government only to be prevented from implementing them as each individual closure has been considered separately and Government price and pay policy have taken priority over commercial logic.

In fighting the current battle, BSC executives are wont to argue, the corporation is attempting to re-assert the right of management to manage, and the right of nationalised industriess to perform their task free of Government interference, on behalf of many other industries.

## All making a loss

And yet, appealing though the idea of grand battles on principle may be, it hardly reflects the whole picture, or some of the questions at the root of the current conflict. The world's steel industries are, virtually without exception, making a loss at present, whether they are aided by the state or not.

What is different about the BSC's position is, partly, the special problems which developed in particular areas of its operations and, partly, its own recent history as a nationalised industry.

In a recent conference in South Wales, Mr. Bob Scholey, the Corporation's chief executive, *revealed that some two*-thirds of BSC's total losses could be attributed to one single division, Strip Mills, which accounts for around a third of the Corporation's turnover, around a fifth of its production by volume, and over a third of its labour force. The division is likely to see a £200m. loss this year. In the last three years, Mr. Scholey declared, labour costs in the division, which is largely concentrated in Wales, had doubled. Now every £1,500 produced in revenue was matched by the expenditure of £4,000.

It has been in this division that the problems of supply have been greatest and the labour record, at Port Talbot and *Llanwern in particular*, have been worst. Some of the difficulties may reflect technical problems in the commissioning of new plant and in the wind *problems experienced at one* of Llanwern's cooling towers. Some of the commercial losses may arise from the fact that the international competition is greatest in this area.

But some of the problems all too clearly also arise from the difficulties BSC central management has had in organising new structures to cope with problems thrown up by nationalisation. Insiders as well as outsiders have argued that at least part of the Strip Mills Division's *difficulties have stemmed from the way management has been* moved around and changed and from morale problems experienced because of the particular *relations with head office*. More broadly, they would assert that some of the labour and other commercial difficulties arise *from the degree of centralisa*tion and the particular management style developed by the Corporation's two top men, Sir Monty and Mr. Scholey. The current management re-organisation along more geographical lines may help this, but there is still argument about the way in which the commercial selling operations and such issues as labour relations are being re*tained at the centre.*

It is never an easy [...] decide. The BSC wo[...] doubtedly retort that th[...] of a modern steel [...] demands centralisation [...] the facts of past exper[...] attempting plant-level [...]ments, as well as the *shape of the industry,* negotiation at nationa[...] however great the di[...] this may pose for th[...] unions. But the union[...] equally argue that plan[...]ence has been much bet[...] this suggests and th[...] manner of recent [...] approaches, with their [...] air of demands, can on[...] further moves towards [...] shedding and greater [...]tivity more difficult.

## Best time [...] push cas[...]

Ultimately, the BSC [...] right in its pressu[...] national agreement and [...]ing that this — a tur[...] stocks are high and Cor[...] producers have the cap[...] meet the market ga[...] might occur—is the b[...] to push its case. In [...] analysis, too, its executi[...] be right in their priv[...] pressed belief that wh[...] stake is the whole qu[...] whether Britain wants a [...] steel industry at the [...] its *manufacturing en*[...] able to compete with it[...] competitors or whether [...] wants a regional indu[...]tained *for regional pu*[...].

But, despite a nat[...]dency of many to beli[...] all can be solved in a [...] savage bloodletting or [...] to eye-ball confronta[...] dustrial life is very [...] decided this way. [...] occurs at the meeting [...] is people who matter, [...] the local plant level th[...] determines what [...] The chances are that [...] be a long hard year [...] Steel Corporation, and [...] which the management [...] as the unions will be [...] *their reputations.*

# MEN AND MATTERS

## Looking after the time

Big Ben's chimes should be heard again from mid-day to-day *after the difficulties of yesterday* when the Grand Clock of the Palace of Westminster, its chimes already silenced because of redecoration, came to a full stop at 11.48 a.m. It re-started an hour later, but it was not until 3.20 p.m. that the four faces of perhaps the world's most famous clock caught up with the right time again.

"Actually, we expected rather more response than we got," said Tony Ellard, general manager of Thwaites and Reed, the Hastings-based company which *for the last five years has had* the contract to maintain the Big Ben bell and its associated clock mechanism (dating from 1854).

On Tuesday Ellard's colleague, technical director John Vernon, stopped the chimes so that the decorators could work without having to dodge the fly wheels which whirl with every chiming quarter-of-an-hour. The time, of course, should have gone marching on, but it appears that yesterday a decorator and the pendulum collided, bringing time to a halt.

Vernon was called hastily into action again, ascending the 186 feet to the clock room to sort out the crisis. Thwaites and Reed has been in the clock-making, repairing and maintaining business since 1856, when it was started by the Buggins family, still the owners with Geoffrey Buggins as the present chairman and managing director.

The company has the royal warrant for clock manufacture and its responsibilities in London include some other clocks of repute—not least the complicated astrological clock *for telling the time and the* progress of a good few other things which graces the front entrance of Bracken House, home of the Financial Times. Thwaites and Reed designed and built that somewhat puzzling timepiece, and also looks after the famous Horse Guards Parade clock, which is no less than 238 years old.

"It's a pity we can't turn the inmates off for a few days occasionally?"

What about the many public clocks which now seem, infuriatingly, incapable of telling *the right time?* Ellard put the problem down, naturally, to the huge rise in maintenance costs. His company would regularly oil and clean a reasonably-sized public clock for around £16 a year, but only after the customer agreed to an initial overhaul which might cost £1,000.

## Heady

Coming from Westminster into the Square Mile it is refreshing to note that, unofficially at least, this year's Lord Mayor, Sir Lindsay Ring, is removing a certain amount of the pomp which goes with the circumstance of his office. If previous Lord Mayors have discovered the versatility of the mayoral hat, they have not disclosed the secret—but yesterday Lindsay Ring did just that.

These days the Felters Livery Company supplies each Lord Mayor with his tricorn as a gift, and Lindsay Ring has found out that underneath the ostrich feathers which adorn the top of this magnificent *headpiece there is a lot of* spare room. (Conservationists please note that the feathers are from live ostriches and the worse the animals face is a cold bottom for a day or two.)

The first use that the Lord Mayor discovered for the hidden recesses underneath the feathers was as a repository *for his glasses (in their case)*. Taking this initial idea to its logical conclusion he presided at a recent children's party in full uniform and, almost outdoing Santa Claus, managed to produce no less than 50 different items for the kids from the mayoral tricorn.

## Bidding for Emu

I mentioned yesterday when writing about the Wine Develop*ment Board the trading down* in price terms noticeable among British customers. It is some years now since pricey Australian wine in any quantity could find a *market here, though re*minders of the time when it did are prompted by one of the stock market's few full-blooded takeover situations.

Emu Wine stopped trading in the U.K. in 1973 when it sold for nearly £1m. its Imported Wines subsidiary to Rumasa, the Spanish group of finance and industrial companies. For the last two-and-a-half years, therefore, Emu has been in the odd position of being a London-based public company with vineyards in Western Australia, retail outlets in and around Perth, and exports to Canada, of all places.

The Canadian offerings are medium-priced and go under the obvious Emu Wine label, but wine for the Australian market *sells under the names* of the Houghton and, improbably, Valencia Vineyards. Emu itself was a pre-Second World War spin-off when the then large W. H. Chaplin wine company sold most of its interests to Seager Evans, Emu being left apart from the deal to be run by the Chaplin family.

There is one other important twist to the history: until March last year, the Chaplin control came via a 51 per cent. stake in Emu Wines held by Chaplin Holdings. This latter *group was put into members'* voluntary liquidation last year, the stake in Emu being distributed to Chaplin holders.

Now for the action: though British shareholders in general have most of the shares, a 32.49 per cent. stake in Emu has been built up by Bell Brothers Holdings, controlled by Western Australian Worsted and Woollen Mills. Bell has bid 142p per share cash for the rest—£2.13m. in all—and now a couple of other approaches have been made. The shares have moved up to 153p.

So Emu's suddenly in demand, latest first-half profits having improved from £73,671 to £122,146 pre-tax. Director Rex *Wilson declared that* "the company hasn't wanted a takeover bid," even though trade here has gone and head office is so far from the vineyards.

## It happens

The *International Herald Tribune* records the death of the man who wrote the classic Marlene Dietrich song "Falling in Love Again."

**Observer**

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ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

# Market socialism and property rights

"MARKETS" and "socialism" are not two words which are usually put together. But there has long been a highly respectable body of economic thought labelled "market socialism."

The basic idea behind it is that you can have the advantages of a market system, *making use of the profit motive* and the price mechanism, without having capitalism, that is private ownership of the means of production. To put it the other way round, socialism in the sense of common ownership does not need detailed controls, five year plans, incomes policies or even an industrial strategy.

## Guided

Socalist firms can be guided by the profit motive in deciding what to make and what to charge, with no more than the minimum of regulation that, say, Professor Milton Friedman, would recommend for private enterprise in the U.S. Indeed, with the emotive issue of ownership of productive assets out of the way, profits would cease to be a dirty word and it would be possible to make more use of markets and prices than in most Western countries to-day.

Of course, there are snags in the argument. But, as Mr. Peter Jay says in his Wincott Lecture*, it is precisely because it is so much the opposite of the direction in which we are travelling, that market socialism is so refreshing to examine.

*Market socialism comes* in two main forms. The first is state ownership, under which managers would be told to maximise profits and pay competitive wages, instead of following the national interest as conceived by the Government. The second, favoured by Mr. Jay, consists of workers' co-operatives brought about by a change in company law to give ownership of enterprises to people working in them.

The most important objection to state socialism is that political and personal freedom are not compatible with universal *state ownership. The theoretical* right to free speech is of little value if publishers, newspapers and theatres are all state-owned. If all wealth and patronage is in the hands of the government or its agents, a society will not be a free one, even if it does experiment with the price mechanism. East Berlin does not become a home *of classical liberalism* because it imposes admission charges for museums, while West Berlin does not.

These disadvantages are not so acute *in the workers' co-ops* version. The State does not have to appoint managers—they are hired by the workers on a basis which, one would *hope, would differ* radically from one co-op to another: and there would be more sources of power and partonage than under State socialism. Although Mr. Jay does not point this out, Mr. Anthony Wedgwood Benn's experiments are not a fair test of co-operative market socialism. They were usually set up after illegal occupation of premises; they were subsidised by the taxpayer; and Mr. Wedgwood Benn never showed the slightest interest in how an economy of co-ops would co-ordinate its activities for the benefit of the consumer. The John Lewis Partnership is a better model to take.

A great difficulty in appraising co-operative market socialism is that only one country, Yugoslavia, has so far tried it comprehensively, which makes it quite impossible to generalise. The Communist Party dictator*ship preceded the co-operative* system, which it introduced as an improvement over Stalinism — so one cannot say how the system would work in a politic*ally freer environment.* The Yugoslav economy has had one of the highest unemployment rates in Europe and been a source of migrant labour for the West. This is not conclusive, of course, but it does represent an amber light.

Trevor Humphries

**Two views of "market socialism"—(left) workers at a Yugoslav television components factory and (right) a British version, the John Lewis Partnership.**

Why, however, go to the trouble of changing the British law? There is nothing to stop workers' co-ops now: and in the present political climate considerable cachet would attach to any City institution which financed a successful co-operative enterprise. The low success rate of such enterprises to date suggests that the difficulties of management control, and other well known theoretical snags, are too great: and that *workers do not sufficiently* value their extra duties to accept any resulting material disadvantages. As 90 per cent. of consumption is financed from wages or social security benefits (and about half of all dividend income helps to finance pensions) quite a small loss in efficiency would soon swallow up any gain to the workers from expropriating capitalists.

## Disaster

At this stage, it must be pointed out that Mr. Jay's case for co-ops does not rest on utopian enthusiasm. He starts from the assumption that the present politico-economic system is heading for disaster. The political and economic market places work according to incompatible criteria. Consumers spend their own money; but voters express intentions about what should be done with *other* people's money collected in tax; and there is no mechanism to stop unrealistic expectations about government activity. The worst of these is a demand for a level of "full employment" quite incompatible with the real wage which union monopolies insist on exacting for their members. The attempt to provide these employment levels by stimulating demand leads to accelerating inflation—not year by year, or even cycle by cycle, but over a run of cycles; and the *result is likely to be* anarchy followed by some form of strong man rule.

As readers will know, I would accept the broad lines of this thesis, but with some differences of emphasis. I am not, for instance, convinced that, left to themselves, the unions must inevitably insist on real wages which would be so high as to cause mass unemployment "in anything short of a total buyers' market for labour." Mr. Jay discusses the view that there is a potential solution through public tolerance and understanding of higher unemployment figures. He believes we could test it by following monetary policies in 1976 and 1977 "consistent with bringing the rate of inflation down to negligible levels" within two or three years and then seeing what happens.

This is, however, to confuse the "natural" rate of unemployment, which is that consistent with a stable rate of price change (and which the author has very lucidly explained on an earlier page) with the *transitional* rate of unemployment required to move down from the 1975 inflation rate of 25 per cent. to something close to zero.

Let us suppose that I am wrong and that Mr. Jay's worst *fears* about collective bargaining are justified. There is still nothing to prevent workers' co-ops from banding together to raise their members' earnings *above the competitive level, just* like the unions to-day. The monopoly power of unions has nothing to do with the employer-employee relationship. Workers' co-ops in an industry could just as easily agree to stop production, even though their claim would then be for higher prices (called "rewards for workers") rather than higher wages. The most difficult wage issues and confrontations have been in the public sector, where the issue of profit has not even arisen, and where the argument is clearly one with the rest of the community over relative shares.

The strike threat weapon will continue under the new system without specific legislation to stop it. Nor is there any reason to expect co-ops to be any less insistent on state *subsidies,* import controls and make-work projects than employers and trade unions to-day. The key question is whether it will be politically easier to apply anti-trust legislation to collusive action by workers' co-ops than it is to do so against unions.

Mr. Jay's world would not be an egalitarian one. People could still grow rich by starting small private firms (which would have to be bought out at a threshold size). A capital market in which individuals could invest would continue: and personal inheritance is not ruled out. These features are essential safeguards for liberty and enterprise; but they would leave *plenty* of scapegoat figures whose living standards could be compared with miners or nurses at crucial moments.

## Damage

But I do not want to end negatively. Although the strike threat system has less effect on prices, and even on employment, than popularly supposed, it still does a great deal of political damage. It is intolerable that any essential service can be cut off by any group at any time and that so many Government decisions are taken in fear of the unions.

I have myself been attracted by the suggestion of Professor James Buchanan (in *The Limits of Liberty*) that property rights should be redefined to take account of existing power realities that is what people would be able to defend for themselves in the absence of the state apparatus. He does not spell out specific proposals but it has sometimes occurred to me that the kind of property rights for *which it is just conceivable that* trade unionists might be prepared to accept some limit on strike action would be property rights in jobs. This would mean that an employee would not normally be dismissed throughout his working life without compensation equivalent to the market value of these rights. An attack on overmanning would then be possible wherever it paid employers to buy out the redundant workers. Any suitably qualified person would be able to buy the right to an existing job from someone *else* for a mutually agreed sum.

Of course this proposal bristles with at least as many difficulties as workers' co-ops. Employer and employee *rights* would have to be carefully defined. There would have to be provision — such as insurance arrangements — for employers *who cannot fulfil their obligation* without insolvency. The scheme would reduce employers' flexibility and make them very careful about taking on labour. This would be a real cost, and the price would be lower real wages—or lower employment—than otherwise.

Nevertheless, the proposal has the advantage of tackling head-on the British workers' concern with job security. The proposal also has the advantage of attempting to compensate those who would otherwise lose from economic change, and has the further advantage of being a "social contract" with individual workers rather than with union leaders.

* *Employment, Inflation and Politics: Institute of Economic Affairs, 60p.*

# Letters to the Editor

## Independents in the North Sea

*From Mr. J. G. Cluff.*

*Sir,—I refer to your Lex* column of January 12 in which I think you have done less than justice to the role of British companies in the North Sea. It is highly desirable that exploration interests are taken by British companies preferably, of course, those with their own exploration staff. The balance of payments saving resulting from British companies exploring and producing British oil is self-evident. The degree of expertise, geological, geophysical and engineering available to this country from British personnel is not generally appreciated. Too many of these individuals work for American companies.

It appears too that you have overlooked the role that small exploration companies have to *play when the North Sea moves,* as it is now doing, from the primary exploration phase into the secondary phase where the prospects become more and more marginal and the results less *and less attractive to the major* companies, but remain important to the independents. If the capital is available in Britain for exploration in the North Sea, as I contend it is, then there *is considerable argument for* allocating a greater share of the licences in the next round to those British companies which have established credibility during preceding rounds.

*There exists in Britain* a number of independent companies whose size could be transformed over-night into major enterprises exploiting British expertise and extending this *country's influence* throughout the world. I think it also right to point out that the independent companies are complementary to the British National Oil Corporation, whereas the majors operate *in conflict with BNOC. It must* be inappropriate for a State Corporation to speculate with the public's money, and oil exploration is essentially speculative in nature. The independent companies tend to have a purely exploratory role and BNOC would benefit if in the event of discovery of a commercial field by an independent this was disposed of to it thereby releasing the cash the explorers need to maintain the momentum of exploration.

It is quite wrong for consortia companies under ours and other management to be denied access to the public to raise the venture capital needed to exploit the North Sea. Were the Stock Exchange to officially recognise exploration companies and regulate their activities in raising capital, this would go a long way to reducing the "speculative turmoil" which occurs while these companies' shares are dealt in as a secondary market without the control that the Stock Exchange could otherwise exercise.

J. G. Cluff.
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## Engineering unions

*From the Assistant General Secretary, Association of Scientific, Technical and Managerial Staffs*

Sir, — I do wonder where Professor Coales (January 7) has been in recent years. Let me say at once that I would subscribe wholeheartedly to his view that professional engineers will not be able to discharge their key responsibilities to full effect until they are represented by a strong trade union recognised by employers

The simple fact is that such unions do exist in the private as well as in the public sector. For example, ASTMS represents *many thousands of professional* engineers and is recognised by the major employers in the engineering and chemical industries, indeed throughout the private sector. Any proposals to create a *new* trade union can only be further divisive, time-consuming and counter-productive to the very objectives which Professor Coales seems to have put forward. Professional engineers, indeed professional staffs and managers throughout the industry, are bedevilled by divisive, fractional organisations competing for membership. It is certainly true as Professor Coales has said, that they need to be represented by a strong trade union recognised by the employers, but it needs to be realised that such unions already exist.

J. S. Davison.
*10-26a, Jamestown Road, N.W.1.*

## Passports for the tribes

*From Mr R. Rowland*

Sir, — What a splendid idea of Mr. Caldwell (January 16) to have Scottish passports. But he does not go far enough. Let's be sensible about this and have Clan passports. I, too, travel a great deal, but mostly here in Europe—Bristol, Glasgow, Frankfurt, Paris, Milan, etc. I would prefer to use a Fenny Stratford passport, possibly linked by a dual tribal arrangement with St. Marylebone.

Richard Rowland.
*30, St. Andrews Mansions,*
*Dorset Street, London, W.1.*

## Pay promptly or else

*From Mr A. Darg*

Sir,—Having described the problem, Mr. Adams (January 12) gave no positive advice on what to do about the habitual slow payer. In the absence of any recognised penalty for paying late, where is the incentive to pay on time? Without universally *respected* standards there can surely be no proper control.

The fairest method is to charge interest on overdue accounts, as Harrods and some other companies already do. But most firms *are reluctant to follow suit* without statutory backing, since to be really effective the procedure must cover all transactions, including those of the Government. It would therefore take considerable pressure to get Parliament to pass such an Act.

Occasionally the CBI and Chambers of Commerce put out an appeal to pay promptly, which is ignored by the same old notorious culprits (one of them is now being sued by my company for a debt incurred as long ago as last April). Meanwhile, other countries within and without the EEC continue to demonstrate that their widely practised custom of charging interest on overdue accounts is the only effective way to contain any abuse of good faith.

For all the good work done by the various institutes and associations, there would be nothing, in my view, to touch the value to the whole business community of a concerted effort to bring about an entirely fresh approach in this country to the vital question of credit control. We need a system which ensures that our cheques arrive within thirty days in nine cases out of ten, that in the tenth case our money at least earns its keep, and that we can thus readily afford our suppliers the same treatment.

A. A. Darg.
*25 Norfolk Road,*
*Edgbaston, Birmingham.*

## The seeds of shortage . . .

*From Mr. John Struk.*

Sir,—I refer to John Cherrington's article (January 16). The theme was that, if only agricultural efficiency could be improved the problems of world *food shortages could be reduced* if not removed altogether.

The disturbing elements of this article originate in the inadequate definition of efficiency. In fact it says nothing at all about agricultural efficiency. To understand this one has simply to realise that efficiency is essentially an input-output ratio. However, Mr. Cherrington merely *talks about outputs in the form* of yields per acre and livestock units. No mention is made of inputs, far less are they related to output.

It is this misconception of *efficiency which has resulted in* the conclusions derived from the comparison of statistics from various countries being highly questionable. These statistics without any related input statistics are of little value. No conclusions can be drawn from them about agricultural efficiency. For example, it is of little worth to note that Russian milk output per cow is lower than EEC milk output per cow unless one also has statistics for the respective inputs of cow feedingstuffs in those countries; similarly grain yields of different countries say nothing about efficiency unless something is known of amounts of fertiliser applied.

For policy purposes, it is unwise to assume that technical efficiency is the only criterion by which agricultural performance should be judged. Only by consideration of all the inputs used in agriculture can other types of efficiency be identified. The efficiency of energy use is an example of one other type of efficiency which may be a relevant criterion by which to judge performance (especially in a world of scarce energy resources).

John Strak B.Sc. (Agric.).
*Flat 8, Shanklin House,*
*Shanklin Close,*
*Chorlton-cum-Hardy, Manchester*

## . . . and the use of fertiliser

*From Mr. W. H. Coates.*

Sir,—I think many would dispute John Cherrington's argument (January 16) that there is *no shortage of land.* The explosion of world population far exceeds the rate at which arable land, that is that which can be used for growing crops and feeding animals for conversion to food, is being made available. Farm management problems, for example, development of irrigation, certainly retard development of land which could become "arable."

*Undoubtedly,* a basic factor which controls the productivity of farm land is the degree of artificial nutrient application by fertilisers. Some figures illustrate the country-wide variation *in the application of fertiliser,* expressed as Kg/hectare (fertilised): Netherlands: 700; West Germany: 400; U.K.: 250; France: 250; U.S.: 100; Portugal: 50; U.S.S.R.: 40; China (mainland): 30; Brazil: 20; India: 10; Argentina: 2.5; Nigeria: 1.0.

Unquestionably, the encouragement in "developing countries" of more intensive application of fertilisers would, to a large degree, restore the balance between population growth and the increasingly and relative shortage of arable land. Where such fertilisers would come from, and who would pay for them, is a thought-provoking question.

It is also interesting to reflect on the potential of U.S./Canada to "feed" the world by increased use of fertilisers. Currently, exports of grain from North America are some 80-100m. tons per annum. If rates of fertiliser application were increased to the level of that practised in Europe, how much greater could be the export availability from North America.

W. H. Coates.
*8, Moot Park, Beckwithshaw,*
*Harrogate, Yorkshire.*

## Post early for cheapness

*From Adam Ferguson.*

Sir,—When the two-tier letter postal rate was first brought in, the Postmaster-General (then Mr. John Stonehouse) explained *to me, as the Post Office's* Director of Public Relations explains again in your Letters column (January 16) that the bulk of Britain's mail was posted in the late afternoon and early *evening, and that enormous* wage rates for sorting would be avoided if only the public could be persuaded to post early in the day. The point of the second tier (he said) was to *allow some letters to be delayed* overnight by the Post Office to provide sorting work the following morning.

It struck me then, although it has not yet struck the Post Office, *what an outstandingly* silly answer this was to the problem, necessitating, as Mr. Brookes reminded us (January 12) an extra preliminary sorting according to the postage paid. *It failed in its main purpose*—that of persuading people to post early or themselves to delay the despatch of less urgent mail for a night; and it has in fact produced a much more inefficient service than we used to have because the system is still swamped every tea-time by the nation's correspondents heedlessly posting mail of different categories of urgency.

Although it is hard to be persuaded that a single-rate postage somewhere between the present two would not work at least as efficiently and cheaply, the proper use of two tiers would be to offer the cheaper rate for mail received before noon (or whenever), and the dearer for that which has to be sorted when overtime rates prevail. The result one would hope for from a more even spread of collection would be not just a "more efficient use of manpower" which Mr. R. E. Abotts seems to think the most important thing, but the delivery of all mail, at either postage rate, on the day after posting. *That* is the type of service customers want.

Adam Ferguson.
*9 Addison Crescent,*
*London, W.14*

## Inching into metrication

*From Richard Bensted-Smith.*

Sir,—The electrical retailers mentioned by Mr. Richard Oliver are not the only ones with a 0.5-hearted approach to metrication. Our offices were decorated with paint out of cans marked "1 litre should cover approx. 150 square feet."

Richard Bensted-Smith.
Newspress,
*14, West Street*
*Horsham, Sussex.*

# To-day's Events

GENERAL

Cabinet meets and is expected to discuss position of Mr. Harold Lever, Chancellor of Duchy of Lancaster, following his refusal to attend House of Commons Select Committee inquiry into Chrysler U.K.

Mr. James Callaghan, Foreign Secretary, gives British Government's reaction to Tindemans Report on European Union, Uebersee Club, Hamburg.

Steel unions give formal reply to BSC on its plan to cut labour costs.

NATO nuclear planning group ends two-day meeting, Hamburg.

Mrs. Margaret Thatcher, Opposition leader, visits British troops in Germany.

Greek Premier Constantine Karamanlis on official visit to Egypt.

CBI Southern Regional Council meets, Henley-on-Thames.

Price Commission quarterly report

Parliamentary Commissioners' first report for 1976 published.

PARLIAMENTARY BUSINESS

House of Commons: Debate on reports from Select Committee on Public Accounts. Motion on Income Tax (Sub-Contractors in Construction Industry) Regulations.

House of Lords: Trustee Savings Banks Bill and Insolvency Bill, report stage. Licensing (Amendment) Bill and Education (School Leaving Dates) Bill, committee. Restrictive Trade Practices (Services) Order. Horticulture (Apple and Pear Growers Special Payments) Scheme 1975. Employment Protection (Amendment) Bill, second reading. Debate on civil aviation policy involving British Airways and British Caledonian Airways.

OFFICIAL STATISTICS

Car and commercial vehicle production (December—final).

New vehicle registrations (December).

COMPANY RESULTS

Inchcape (half-year).

*Rank Organisation (full year).*

Tate and Lyle (full year).

COMPANY MEETINGS

Dundee and London Investment Trust, Dundee, 12.

International Computers, Winchester House, E.C., 12.

Lloyds and Scottish, Piccadilly Hotel, W., 12.

Proprietors of Hays Wharf, Great Eastern Hotel, E.C., 12.

Scottish Investment Trust, Edinburgh, 10.30.

United Wire, Edinburgh, 12.

# COMPANY NEWS + COMMENT

## Record £3.64m. from Kenning Motor

ON A TURNOVER up from £123.46m. to £141.73m., group pre-tax profit of Kenning Motor Group increased from £3.17m. to a record £3.64m. in the year to September 30, 1975.

When reporting first half profit up from £1.56m. to £1.6m., the chairman, Mr. G. Kenning, said he felt it was probable that profits would decline.

He points out that the group was fortunate in not having to repeat the special payment to the pension fund of £400,000 made in the prior year.

Stated earnings per 25p share for the year advanced from 6.2p to 7.8p basic and from 5.6p to 6.0p fully diluted. A final dividend of 2.078375p lifts the net total from 3.16575p to 3.378375p.

As to the current year Mr. Kenning reports that first quarter profits show a decrease. Costs are still rising and new vehicles are in short supply. It is too early to forecast the results for the year. The liquid position remains good, he adds.

| | 1974-75 £000 | 1973-74 £000 |
|---|---|---|
| Turnover | 141,725 | 123,461 |
| Trading profit | 7.389 | 7.716 |
| Depreciation | 3.363 | 2.977 |
| Interest | 1.002 | 1.186 |
| Pension Fund | — | 400 |
| Share associates | 17 | 24 |
| Profit before tax | 3,639 | 3,173 |
| Taxation | 1.939 | 1,798 |
| Minorities | 12 | 19 |
| Extraord. credits | 378 | *131 |
| Balance | 2.064 | 1.238 |
| Preference div. | 35 | 35 |
| Ordinary | 710 | 665 |
| Retained | 1.299 | 518 |

* Debits.

Trading in new vehicles, due to the success of the Leyland Super Deal campaign, proved to be better than anticipated and the secondhand market remained buoyant. This, with an improvement in parts sales and more work for service departments, enabled the motor depots to produce significantly better results. Kenning (London) also benefited, turning a substantial loss into a profit.

Commercial vehicle depots produced better profits, says Mr. Kenning, but results of Kenning Tyre Services were substantially below last year's record.

Contract hire had a record year. Kenning Car Hire showed an improvement on last year's disappointing results, the bulk of *the improvement coming in the* last quarter when the Prices Commission allowed an increase in charges to meet higher costs.

Motorway service areas were still adversely affected by increased costs but profit improved in the second half. The authorised distributorships operated for BP produced "satisfactory" results.

Kennings S.A. reduced its loss from £72,000 to £28,000 and its future looks "more promising."

Profits of the Rhodesian subsidiaries improved from $1,199,000 to $1,782,000, before tax. The net total went ahead from $723,000 to $965,000 after tax up from $474,000 to $817,000.

### ● comment

A combination of special events in Kenning's latest financial year *contributed to a rise of more* than 14.7 per cent. in roughly equal measure for both sales and profits, though early in the year a more depressed result was envisaged. The group's main strength is in new as well as used car trading, which helped it to gain maximum benefit from the British Leyland "super deal" campaign. But raised charges for car-hire helped that side of the business too, while completion of reorganisation in Kenning (London) led to a profit in place of a loss. It appears, however, that this upward trend is not being generally maintained at present because of rising costs and a shortage of new vehicle supplies. Improved liquidity is indicated by the fall in interest payments, while at 53p the shares yield 9.8 per cent., where the p/e at 7.9 on full-diluted earnings is at the motor distribution sector's lower end.

## HIGHLIGHTS

After the setback last year Thorn's profits are well up at the half-way stage, a trend which has continued in the third quarter. At **Union Discount** margins have narrowed in the second half and profits for the full year are lower but a strong trend has so far been seen this year. Completing the Lex column is the **Carpets International** rights issue, which on the basis of two for seven at 75p will raise £3.78m.; profits are expected to be lower on the year. **Wolseley Hughes** is also making a rights issue with the terms set at one for four at 103p. A strong trend in both new and second-hand cars has left profits some 15 per cent. higher at **Kenning** but **Reliant Motor** has incurred substantial losses. At **Richardson Westgarth** profits at the half-way stage are 30 per cent. lower reflecting the weakness on the heavy engine side and steel stockholding.

## Upsurge at Allied Colloids

MAKERS OF speciality chemicals Allied Colloids Group reports a £200,000 advance in first half (to September 30) profits, and says *sales and profits for the third* quarter continue to reflect the upward trend.

From sales ahead £0.74m. at £5.39m., first half profit has come out at £909,000, against £710,000. After tax £448,000 (£316,000), net balance was £461,000 (£394,000).

In the year ended March 31, *1975, profits were £1.68m. on sales* of £10.67m. A dividend of 1.495p was paid and followed by a one-for-five scrip issue.

### ● comment

Price increases must have played an important part in Allied Colloids' first-half growth—profits 28 per cent. higher pre-tax on a 15 per cent. rise in sales. In the past pricing freedom has been restricted by pressures of competition, but material costs reached such a high level recently that leaders in the sector have been forced to push up prices, and the group, which is a price follower rather than a leader, has been able to follow on in their wake. Volume in the first six months must have risen by around 3 per cent. and appears to have continued on the upward trend, with the fastest growth coming from overseas which must now account for about two-thirds of total sales. With the rise in material costs now apparently levelling out, the group looks capable of achieving full-year profits of at least £1.9m. pre-tax, which at 107p, gives a prospective p/e of 13 per cent.

## Richards looks to long term

IN THE CURRENT year to September 30, 1976, textiles group, Richards will not be totally immune from the economic malaise, says the chairman, Mr. R. B. Williamson.

Because of the reorganisation he expects next year's profits to be less than would otherwise have been the case. But he emphasises that the rationalisation programme will result in the company being "even stronger."

He reports that first-quarter figures show an upward trend.

*As reported on November 28,* group pre-tax profit for the past year increased from £451,878 to £545,635, and the dividend is 0.843 (0.79p) net. Turnover, exports and profits were records, and even after allowing for tax, increased depreciation and extraordinary items, including the Aberclare *terminal loss,* the company was still ahead.

The overdraft was reduced by £193,682 (£6,798) while cash decreased by £11,325 (increase £9,070).

NC Securities owns 1,994,889 Ordinary shares and has 16.6 per cent. of the voting power.

*Mr. Williamson is retiring* from the chair. He will be succeeded by Mr. A. R. Robertson.

Meeting Aberdeen, February 12, noon.

## Richardsons Westgarth setback

DEPRESSED MARKET conditions encountered by the *stockholding* and merchanting subsidiaries have affected results of Richardsons Westgarth in the six months ended September 30, 1975.

For the period profit came out at £743,000, against £1.06m. for the corresponding 37 weeks. A reduction experienced by the *subsidiaries making engineering* products was more than offset by an improvement in the combined results of subsidiaries providing engineering services.

| | Six months 1975 £000 | 37 weeks 1974 £000 | Year 1974-75 £000 |
|---|---|---|---|
| Turnover | 15,326 | 16,303 | 33,738 |
| Profit before tax | 745 | 1,060 | 2,381 |
| Taxation | 387 | 540 | 1,228 |
| Net profit | 358 | 520 | 1,153 |
| Pre-acquisitn. profit | — | — | 4 |
| Outside holders | 1 | 2 | 4 |
| Attributable | 357 | 518 | 1,115 |

The year-end has been changed to December 31, so 1975 accounts will cover nine months. Profits will be lower than the *corresponding period last year,* but the directors anticipate that earnings will enable recommendation of a dividend at least proportionate to that paid for the year 1974-75. They are maintaining the interim at 1.05p net per 50p share, from earnings of 2.8p (4.06p); the final last time was 2.3286p.

*Two of the subsidiaries are* under the threat of nationalisation. They are George Clark and NEM and Humber Graving Dock and Engineering.

### ● comment

Although a firm performance from RW's service companies, including ship repairing and electrical engineering on site contracting, has offset the impact of fixed-price contracts on marine engines, the continued slump in stockholding demand and rising interest charges have reduced pre-tax profits by 30 per cent. on a 9 per cent. increase in turnover. The share price fell by 1½p to 49½p last night, nearly a quarter off the year's high, where the annualised yield is 11.4 per cent. Assuming that the earnings position does *not* weaken further in the remainder of the year, cover, on an annualised basis, drops to 1.7 times. Shareholders, meanwhile, are taken no further forward on the question of the profitability or proportion of nationalisation assets, let alone the likely compensation formula.

## Over £1m. for Leisure Caravan

REPORTING PRE-TAX profits up from £938,000 to £1,154,000 for the first eight months, to October 31, of the financial year, the directors of Leisure Caravan Parks say profits for the full year to February 28, 1976 are not expected to be materially different from that figure.

This is in line with the forecast given at the August annual meeting of a profit in the range of £1.1m. to £1.2m. and constitutes the twelfth successive record.

The eight months' profit is struck after interest of £80,006 (£89,000). Tax takes £490,000, against £405,000.

An interim dividend up from 1.28p to 1.67p net per 10p share has already been paid, and a maximum permitted final of 3.149p against 3.14p, has been foreshadowed.

### ● comment

In line with its August forecast, Leisure Caravan Parks has maintained the growth rate of the past two years, and a 23 per cent. pre-tax increase for the year as a whole indicates a prospective p/e of 11.5 at 83p, where a yield of 9 per cent. would be covered one-and-a-half times. Clearly, improved amenities on site yield a good return in the form of steadily rising rental charges, and volume poses few problems with 90 per cent. of customers already re-booked. While there are no immediate plans for expanding the group's existing 13 sites, there is room for increasing the proportion of its own caravans on site, and holiday lettings and caravan sales (still a small proportion of the company's activities) have *potential.*

## Record Ridgway aims

HAND TOOL makers Record Ridgway is taking steps to ensure its continued growth in the rapidly expanding new markets of the world, says the chairman Mr. A. B. Hampton.

In particular, detailed investigations in EEC countries are currently taking place, with the object of increasing the company's strength in this important trading community.

Mr. Hampton says the company's strong asset base will enable a substantial capital investment programme to be initiated *in the coming year.* This will increase output and productivity, and in particular reduce dependence on outside suppliers for some key components.

With the disruptions of the three-day week and the material shortages in the 1973-74 boom period now passed, the directors have been able to build on the inherent strengths of the company created by the merger in 1972 between C. and J. Hampton and Wm. Ridgway and Sons. "This growth will continue to provide a basis for future prosperity."

In the year ended September 28, 1975, group sales were £11.99m. (£9.2-m.) and profits £1.36m. (£1m.), as reported on December 10 with the 2.7625p (2.45p) net dividend. Adjusting for current cost accounting profits become £1.25m. and earnings 3.22p (historical 3.34p).

Meeting, Sheffield, February 24, at noon.

Freddie Mansfield

Mr. A. J. O. Ritchie, chairman of Union Discount Company of London which yesterday disclosed profits after tax for the year 1975 *down* from £3.57m. to £2.07m.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Amalgamated Distilled int. | 0.65† | March 1 | 0.35 | — | 1.38 |
| Bank Leumi (U.K.) | 4.57 | Feb. 20 | 4.57 | 7.25 | 7.25 |
| Catel Trust int. | Nil | — | 0.08 | — | 0.08 |
| Centre Hotels int. | 0.4 | — | 0.4 | — | 1.09 |
| Dorman Smith int. | 0.85 | April 3 | 0.79* | — | 4.34* |
| Gopeng Consolidated 3rd int. | 2.13 | April 3 | 3.75 | 11.0 | 14.25 |
| Group Investors int. | 0.58 | March 5 | 0.56 | — | 1.4 |
| Idris Hydraulic Tin 2nd int. | 3.0(c) | March 5 | 3.7 | — | 6.7 |
| *Kenning Motor* | *2.08* | *April 1* | *1.83* | *3.38* | *3.17* |
| London Electrical Trust int. | 1.1 | Feb. 27 | 0.95 | — | 2.25 |
| Mears Bros. Hldgs. | 0.95 | Feb. 26 | 0.83 | 1.62 | 1.52 |
| New Throgmorton 2nd int. | 0.39 | April 1 | 0.39 | — | 1.35 |
| Peterborough Motors int. | 0.8 | April 2 | 0.73 | — | 1.83 |
| Property Security int. | 0.46 | April 2 | 0.46 | — | 1.38 |
| Richardsons Westgarth int. | 1.05(b) | March 11 | 1.05 | — | 3.38 |
| Scottish American Invest. | 1.2 | March 26 | 1.15 | 1.8 | 1.75 |
| Thorn Electrical int. | 2.02 | March 26 | 1.92 | — | 5.53 |
| Throgmorton Trust | 2.75(a) | March 25 | 2.31 | 4 | 3.56 |
| Union Discount | 10.16 | — | 11.08 | 17.16 | 16.98 |
| U.S. & General Trust | 2.89 | March 11 | 2.55 | 4.29 | 3.85 |
| Warren Tea int. | 2.6 | April 2 | 2.2 | — | 5.92 |
| Wilkins & Mitchell int. | Nil | — | 0.74 | — | 2.25 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † *On capital increased by rights and/or acquisition issues.* (a) *Including bonus* 0.373p net payable this year only. (b) Financial period runs for nine months. (c) Making 6p to date. Decision in respect of further dividend for year depends on circumstances ruling at the time.

## Recovery at Centre Hotels

PROFITABILITY is recovering at Centre Hotels (Cranston) say the directors. In the 28 weeks to October 12, 1975 the pre-tax surplus was lower at £502,381 against £680,102 but the major part was earned in the closing stages. After a second half downturn, the total for 1974-75 was £766,231.

The interim dividend is held at 0.4p net per 10p share, and the maximum total is intended for the year—last time 1.09p. A one-for-four scrip issue is also proposed.

Turnover for the 28 weeks expanded from £6.27m. to £8.11m. Tax absorbs £102,950 compared with £128,000.

### ● comment

There is little question that the hotel industry went through a rough patch in 1975, and Centre Hotels' interim results—pre-tax profits a quarter lower—come as *its fourth six-monthly drop in* succession. Yet Centre's occupancy levels have evidently been well maintained and earnings have been hit by holding down tariff charges until August. Business conference bookings have suffered with industry cut-backs, but a steady flow of European visitors has given some boost to occupancy levels, and overall Centre can point to the fact that 40 per cent. of its business originates from overseas. The group takes the view that the tide has turned for the industry, and is looking for maintained profits of £0.7m. for the current year. At 28p, the forecast yield is 6.7 per cent. and the p/e of 7 almost doubles to 13½ on a full tax charge.

## Western Board sees profit rise

FIRST HALF (to September 30, 1975) turnover of Western Board Mills decreased from £1,137,000 to *£987,000 and pre-tax profit dipped* from £310,000 to £250,000.

However the chairman, Mr. H. H. Vogel, states that sales for the three months to December 31, 1975, show a "considerable improvement" over the corresponding period in spite of the continued depressed state of the industries *which are the major users of the* company's products.

The company is increasing its share of the market and maintaining a satisfactory level of profitability. It is, therefore, reasonable to assume, he adds, that, subject only to a further reduction in the activities of customers, improved results can be expected this year. Last year's pre-tax figure was £458,368.

The interim dividend is stepped up from 0.9 to 1p net per 10p share. The 1974-75 total was 2.76p.

The interim dividend on 3.35m. shares in which Mr. Vogel and his children have a beneficial interest has been waived to the extent that the rate of dividend exceeds 0.1p. per share.

| | Six months 1975 £000 | 1974 £000 | 12 mths 1974-75 £000 |
|---|---|---|---|
| Group turnover | 987 | 1,137 | 2,030 |
| Profit | 250 | 310 | 456 |
| Tax | 130 | 161 | 238 |
| Extraord. credit | 3 | — | 7 |
| Attributable | 123 | 149 | 217 |

# ISSUE NEWS AND COMMENT

## Carpets Intnl. raising £3.78m.

Carpets International proposes to raise £3.78m. by way of a rights issue of 5.26m. Ordinary 50p shares on the basis of two-for-seven at 75p each. Given as reasons for the issue the company states that it has carried out a major investment and reorganisation programme, and between 1971-75 the group incurred over £13m. of capital expenditure. Group turnover has doubled and exports plus sales by overseas subsidiaries amount to over 30 per cent. of total turnover.

This investment programme, plus additional working capital requirements, has been financed by retained profits and borrowings—loans and bank overdrafts on January 3, were £20.45m., and cash amounted to £0.28m. The proposed issue will evidently strengthen the group's capital base and assist the continuing investment programme.

Regarding current trading Carpets discloses that in the second half, the important Australian subsidiary earned a profit, although overall there was a loss for the year. The contribution from other subsidiaries is indicated to be similar to the first half, and improvement from associates will leave pre-tax profits for the year to January 3, 1976 at £2.4m.

After taxation of £1.45m. and extraordinary items of £0.27m. profit attributable to shareholders is forecast at £1.22m. On this basis the Board proposes to recommend a final dividend of 3.235p to make a total for the year of 5.51p per share, being the same as the previous *year.*

The directors state that it is too early to make a forecast for the current year, though conditions affecting the carpet industry in the U.K. are likely to remain unsettled. However, they expect to at least maintain the group's share of the home market, with a *significant improvement expected* from overseas.

An EGM is called for February 6, and dealings are expected to start on February 9.

The issue has been underwritten by Kleinwort Benson and brokers are Hoare and Co. Govett and Laurence Prust and Co.

See Lex

### GENERAL CONS. LOAN FACILITY

General Consolidated Investment Trust has arranged a multi-currency loan facility of U.S.$500,000 for the purpose of financing portfolio investment abroad, primarily in the U.S.

The borrowing has been arranged with Hill Samuel and Co. for a maximum of five years with interest linked to the London Euro-currency inter-bank rate for the currency or currencies borrowed.

It is intended to draw the facility in Euro-dollars, raising total foreign currency bor
to U.S.$2.25m.

## £2.63m. righ by Wolseley Hughes

Wolseley-Hughes prop
raise £2.63m. by way of
issue on the basis of o
Ordinary 25p share for ev
held on January 16 at 1
share.

The directors state that
the level of net bank bor
was reduced by £4.25m. o
ing bank overdrafts ha
risen to £2.17m. as a r
seasonal and other factor
now feel confident that ar
in the trade cycle will
the second half of 1976 and
wish to broaden the grou
tal base and give greater
ing flexibility.

Treasury permission h
granted for the dividend
creased by 38 per cent.
total of 6p per share (9.23
An EGM is called for Fel
and dealings are expected
mence on February 9.

The issue has been unde
by J. Henry Schroder W
Co. and brokers are Rc
Pitman, Hurst-Brown and
E. Sharp and Co.

### ● comment

Wolseley-Hughes contin
run of relative strength y
with a rise of 6p to 133p.
borrowings currently
£4½m. compared to last p
shareholders' funds of £15
group does not especially
rights cash, but the fundi
at least provide the opp
for dividend cover to be
Thus the payment is goin
38 per cent. at the net le
that takes the prospecti
up to 7.3 per cent., ex-rig
ex-rights gearing ratio
around an eighth.

### BP TO RAISE $150M.

BP North American
*Corporation* will file
registration statement
Securities and Exchange
sion covering the issue of
guaranteed debentures d
The debentures will be
teed by British Petroleum

### STRONG & FIS

*Strong and Fisher (H*
giving further details of
posed rights issue to ra
on the basis of one-for-fou
forecasts a final dividend
per share. This indicate
of 5.69p against 3.69p net
year to May 31, equal to
compared with 5.631p gros

*Other Issue New*
Centre Hotels, this p

## Outlook at Eldridge Pope

IN HIS annual statement, the chairman of brewers, Eldridge Pope and Co., Mr. P. W. Pope says trading prospects seem bright for regional brews which in normal circumstances should mean an increase in profits, but margins and, therefore, profits "continue to be threatened by certain policies of the Government."

In addition there has been a "significant" fall in the sales of *wines and spirits during the first* quarter of the current year which must affect profits.

The buoyant market for the company's own beers seems likely to continue, he tells members, and with this in mind an investment programme has been started to increase production capacity and bring it up to date. "We have decided to move forward in a cautious and flexible way, continuing to protect a reasonable level of liquidity." For in
requirements the directo
looked to the property
"where we cannot affor
ductive assets."

As reported on Decer
pre-tax profits rose fron
to £0.87m. in the
September 30, 1975 and
dend is 4.92p (4.22p) ne
share.

Apart from the boomi
of lager and the tr
draughts beers, the comp
experienced "trading
from bottled beers and wi
spirits to cheaper produ
is a national pattern
becoming still more
states Mr. Pope. The hot
also helped the sales
drinks and the contributi
the subsidiary, the Har
Dorset Mineral Water C
has doubled.

The beer sales volume
free trade has increased l
than 10 per cent. which
"very welcome addition
put," thus tending to redu
overhead costs per barr
duced. Most of this extr
is in areas which do not
with tenants.

هكذا صار الأصل



# Thorn's £3.38m. rise in first half

IN THE six months ended September 30, 1975, Thorn Electrical Industries has recovered most of the ground lost last year, and reports profits up £3.38m. to £31.53m.

Depreciation charges were increased considerably because of continued growth of colour television rental here and abroad, while a substantial reduction in borrowings and lower interest rates led to considerably lower interest charges.

Chairman Sir Jules Thorn points out that trading conditions deteriorated further, and business in many fields received a severe setback with the increase in VAT. In the third quarter profits have continued the upward trend, mainly due to the performance of electric domestic appliances, growth in U.K. colour television rental and further improvement overseas.

Sir Jules does not feel it wise to forecast the likely results for the fourth quarter. Some further contraction in capacity appears unavoidable but the relaxation in credit restrictions may prevent a further serious deterioration in demand for colour television and other consumer electronics products.

"However, our record in past years has demonstrated the resilience of the group based upon a wide product range and increasing strength overseas, combined with the strong cash flow provided by the television rental activities," he states.

The downturn in disposing of colour television sets in the U.K. has been particularly severe since the increase in VAT. As a result the consumer electronics factories have operated substantially below capacity and profits have been reduced sharply. However, this has been largely offset by improvement in overseas consumer operations.

Regarding the closure of the Skelmersdale production of colour tubes, an appropriate provision for closure costs attributable to Thorn (which is partnered by GTA in this venture) will be made as an extraordinary item in the full year's accounts.

The rental companies—Radio Rentals, DER and Multibroadcast suffered some reaction from the VAT changes in the early months but a progressive improvement in business was achieved from July onwards. "Very satisfactory" progress has also been made in overseas television rental.

Business in electric domestic appliances was buoyant during the period, with sales 40 per cent. higher. The central heating business has also shown substantial improvements and prospects are encouraging.

Lighting operations continue to suffer loss of volume due to the world-wide industrial recession. However, exports continue to show a satisfactory growth and more than half of Thorn Lighting's sales are now overseas.

While some parts of the engineering business have been affected by the downturn in industrial activity, improvement has been recorded in electrical measurement, power, hydraulics and fire protection equipment, with the result that profits are broadly in line with last year.

For the half year, net earnings are stated at 11.1p (9.8p) before extraordinary items and the interim dividend is stepped up from 1.925p to 2.025p. Total for 1974-75 was 5.525p.

| | First half 1975 | 1974 | Year 1974-75 |
|---|---|---|---|
| | £000 | £000 | £000 |
| External sales | 391,594 | 328,916 | 718,301 |
| Home | 315,036 | 275,488 | 594,872 |
| Overseas | *126,814 | 89,239 | 212,103 |
| Inter division | 49,230 | 46,808 | 98,974 |
| Trading profit | 76,124 | 66,672 | 144,115 |
| Depreciation | 34,281 | 31,239 | 67,248 |
| Interest payable | 4,315 | 6,801 | 11,468 |
| Profit before tax | 31,529 | 28,142 | 65,401 |
| Taxation | 17,406 | 15,498 | 35,125 |
| Net profit | 14,123 | 12,644 | 30,278 |
| Minority losses | 682 | 199 | 1,007 |
| Extra-ord. profit | 105 | †625 | †625 |
| Attrib. Ordinary | 14,910 | 12,218 | 30,658 |
| Dividend | 2,702 | 3,385 | 7,328 |

* Including exports. † Losses.

See Lex

## Catel Trust dividend prospect

Catel Trust, which is omitting payment of an interim dividend in respect of the year to March 31, 1976, announces that negotiations are taking place which the directors believe will lead, in due course, to a resumption of dividends. For the previous year there was an interim of 0.08375p net per 5p share but no final.

Net taxed revenue for the half-year to September 30th, 1975 decreased from £45,839 to £25,019, and stated earnings per share were 0.059p against 0.084p. Last year's net revenue was £66,746.

Net asset value per share was approximately 2p (same). Following the removal of a "particularly onerous" loan, the company is free of debt, the directors report.

Statement, Page 26

## Growth for Dorman Smith

FIRST HALF (to September 30) pre-tax profits of the Dorman Smith Holdings group of manufacturing electrical engineers have expanded from £966,000 to £1,353,000, obtained from a turnover higher by some £1.8m. at £5.89m.

Commenting on prospects, chairman Mr. T. G. F. Atherton attacks Government industrial policies of recent years and says that, in present circumstances, it is virtually impossible to forecast the year's results.

The net interim dividend is lifted from equal to 0.79166p, adjusting for a scrip issue, to 0.85p per 20p share. Total for the year to March 31, 1975, was equivalent to 4.34166p paid from taxable profits of £2.4m.

Mr. Atherton says that, as far as the directors are aware, the company is again "close" but remains very near to the line of demarcation drawn by the Government.

He also tells members that steps taken during the last 12 months have resulted in a "considerable" improvement in liquidity.

| | 6 months 1975 | 1974 | Year 1974-75 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Turnover | 5,556 | 4,563 | 10,724 |
| Profit | 1,633 | 1,029 | 2,532 |
| Depreciation | 70 | 63 | 97 |
| Profit before tax | 1,353 | 965 | 2,435 |
| Tax | 704 | 502 | 1,192 |
| Def. tax | — | — | 89 |
| Except. provision | — | — | 36 |
| Balance | 649 | 464 | 1,117 |

Statement, Page 25

## Property Security

A REDUCED loss, before dealing and extraordinary items, of £309,000, against £690,000, was incurred by Property Security Investment Trust in the six months to September 30, 1975.

The loss will show a further reduction in the second half and the directors expect a surplus on that basis to be achieved in the year ending March 31, 1977. For the year 1974-75 there was a deficit of £1,504,000.

Selected investment properties are being sold, which will result in an overall surplus for the year. In accordance with current accounting standards this will be included in the revenue account for the full year as an extraordinary item.

An unchanged interim dividend of 0.455p net per 50p share is declared. Last year's total was 1.5459p.

| | 6 months 1975 | 1974 | Year 1974-75 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Gross rents | 1,308 | 980 | 2,181 |
| Net pptr. etc. inc. | 7,313 | 833 | 1,751 |
| Interest charges | 1,680 | 1,519 | 3,256 |
| Taxation | — | — | 136 |
| Minorities | 67 | 191 | 177 |
| Loss* | 309 | 690 | 1,504 |
| Dividend | 69 | 62 | 212 |

* Before dealing and extraordinary items.

The figures include all interest and other outgoings incurred in respect of development properties and land held for future development. Results of property and share dealing activities in the six months were not material and, following previous practice, are not included.

The purchase of the minority interests in certain subsidiaries for a consideration of 1.5m. shares has been completed and the capital is now 15.22m. Ordinary shares.

Statement Page 8

## RECENT ISSUES

### EQUITIES

| Issue Price | Amount Paid Up | Latest Renunc. Date | 1975/6 High | Low | Stock | Closing Price | + or − | Div. | Times Covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | | | | |

### FIXED INTEREST STOCKS

| Issue Price | Amount Paid Up | Latest Renunc. Date | 1975/6 High | Low | Stock | Closing Price | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

### "RIGHTS" OFFERS

| Issue Price | Amount Paid Up | Latest Renunc. Date | 1975/6 High | Low | Stock | Closing Price | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital; cover based on dividend on full capital. p Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. Offered to holders of Ordinary shares as a "rights." ♥ 280 S.Afr. cents. ★ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. § Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. $ With warrants.

MINING NEWS

# Alcoa triumphs over poor markets

BY KENNETH MARSTON, MINING EDITOR

DESPITE THE generally depressed conditions in markets for aluminium, Alcoa of Australia has boosted its 1975 gross profits by 87 per cent. And the chairman, Sir James Forrest, says that prospects for the current year appear favourable with the Pinjarra alumina refinery in Western Australia being more fully utilised to meet long term contracts, although he warns that there is still considerable uncertainty because of the slow recovery in overseas and domestic markets.

Alcoa's sales rose by 25 per cent. last year to $A401m. (£249m.), reports our Sydney correspondent. This reflected increased alumina shipments together with the effective devaluation of the Australian dollar against the U.S. dollar in which the company's sales are denominated.

The company's net profit rose to $A12.1m. (£7.5m.) from $A6.9m. in 1974 and would have been higher but for increased costs of raw materials and fuel. Sir James says that the rate of these cost increases has eased in recent months.

Alcoa aims to complete its current $50m. (£31m.) expansion programme by the end of this year. It will double Pinjarra's annual alumina capacity to 1.5m. tonnes and this together with the Kwinana plant will lift total capacity to almost 3m. tonnes.

Shareholders are: Aluminum Company of America with 51 per cent.; Western Mining 20 per cent.; BH South 16.6 per cent.; and North Broken Hill 12 per cent.

Meanwhile an illustration of how badly other companies in the aluminium business are faring comes from the International Primary Aluminium Institute which reports that its members produced 811,000 tonnes of the metal last December compared with 941,000 tonnes in December, 1974. Furthermore, last year's setback for Aluminum Company of America is detailed on page 24.

### A SETBACK FOR N. CENTRAL WITS

Sharply lower profits for the half-year to December 31 of R60,308 compared with R102,493 in the same period of 1974 are announced by New Central Witwatersrand Areas, one of the smaller investment companies in the Anglo American Corporation group. The fall is largely explained by reduced income from copper and platinum investments.

The latest earnings equal 3.42 cents per share and are exceeded by an interim now declared of 4.5 cents. This compares with 5.5 cents a year ago and the subsequent final of 13.5 cents.

It is pointed out that the above-earnings interim has been declared in view of indications, and second-half earnings will be above those of the same period of 1974-75 when the total net profit reached R342,709. New Central Wits net asset value at January 20 last equalled 297 cents (168p) per share. The latter stand at around 155p in London.

### S. AFRICAN GOLD HOLDINGS RISE

South Africa's gold holdings showed a modest increase in the week ended January 16. The latest figures issued by the Republic's Reserve Bank reveal that they rose by R0.5m. to R527.2m. indicating that a little over half a tonne of metal was withheld from the free market out of a weekly production estimated at around 14½ tonnes.

Although lower than the previous week's retention of some 1.5 tonnes, this further rise in holdings comes at a time when the revenue received by South Africa's mines is being affected by the falling gold price although the impact of this has been cushioned by the devaluation of the rand last September. Bullion closed at $125 per ounce yesterday.

### ROUND-UP

Following the passing of the necessary resolutions at yesterday's Great Boulder meetings, application has been made to the Supreme Court of Victoria for orders for approval of the scheme of arrangement and for confirmation of the reduction of capital whereby all holders of Great Boulder, with the exception of Westminer Investments which is a wholly-owned subsidiary of Western Mining, will receive one share in the last named company in exchange for two Great Boulder shares.

* * *

Tanzanian State Mining Corporation official Mr. Charles Bond says that titanium deposits have been found near Mtwara on the South-East coast and that feasibility studies are under way. Mr. Bond added that deposits had also been found at Pemba Island and Bagamoyo but that heavy investment is needed before Tanzania's wide range of minerals can be extracted.

* * *

A company controlled by the president of Great Lakes Nickel has agreed to sell its holding in the latter company to Sweden's Boliden subject to approval by Great Lakes shareholders, Canada's Foreign Investment Review Agency and Sweden's Central Bank. The sale would increase Boliden's stake in Great Lakes to 29 per cent.

# Wilkins and Mitchell loss—no interim payment

REFLECTING THE sharp deterioration in the U.K. market for domestic appliances, Wilkins and Mitchell incurred a pre-tax loss of £1,139,000 for the half year to September 27, 1975, compared with a profit of £26,000.

While difficulties were known to be continuing during the first half, the losses suffered are "very much worse" than was expected, says the chairman, Mr. H. Wilkins.

In the circumstances no interim dividend is being paid, compared with 0.735p net per 25p share. Last year's total was 2.2475p net from profits of £147,000.

The group's interests range from power presses to Servis washing machines.

Mr. Wilkins attributes the half-year's loss to substantial additional inflationary costs incurred in fulfilling existing maintenance contracts entered into by the domestic appliances service division; lost productivity in the domestic appliances division in August and September; losses incurred on certain major contracts for the export of washing machines; additional provisions for the completion of long-term contracts of the power press division; and provisions for extraordinary items amounting to £173,000, mainly in writing down the value of a trade investment.

The management has, during the year, changed the sales priorities in the domestic appliances services division and improved results are now being achieved, he adds.

The unprofitable part of the export trade in washing machines has been discontinued since the end of the half year.

The directors consider that no further provision will be necessary in respect of existing power press division contracts, Mr. Wilkins says.

By the end of October last year the forecast made of an improved position in the domestic appliances division for the second half was being achieved. Since then, however, the U.K. market deteriorated "very sharply."

The outcome for the second half cannot, therefore, be predicted with any certainty but measures have been taken to curtail unprofitable production and contain expenses in order to eliminate further loss-making.

| | Half year 1975 | 1974 | Year 1975 |
|---|---|---|---|
| | £000 | £000 | £000 |
| U.K. turnover | 16,675 | 11,490 | 28,156 |
| Overseas subs. | 5,071 | 5,663 | 10,448 |
| Total turnover | 21,749 | 17,153 | 38,604 |
| Loss before tax | 1,139 | *26 | *147 |
| Tax credit | 530 | 14 | †18 |
| Net loss | 609 | *12 | *129 |
| Extraord. debits | 177 | — | 214 |
| Preference div. | 5 | 5 | |
| Ordinary | — | 45 | 144 |
| From reserves | 755 | 38 | 5 |

* Profit. † Charge. ‡ Credits.

### ● comment

The main factors behind Wilkins and Mitchell's first-half turnround to losses are the pressure of rising costs on service contracts and a general fall-off in demand for domestic appliances. The problems relating to the power press division, where demand has also tumbled, now appear to have been sufficiently provided for. In order to correct the first half difficulties, the group has embarked on a course of internal changes which include a new wages policy on the washing machine side, the elimination of an unprofitable washing machine range which was made entirely for the export market, and the introduction of a new type of service agreement. These changes are apparently already beginning to bear fruit and the group, which expects to achieve a near break-even position in the second half, hopes to be making a real recovery next year. However, the announcement of W and M's intention to seek higher borrowing facilities is disconcerting. Last year net borrowings were £3.9m. against shareholders' funds of £6.2m. and, though these are apparently no higher at the moment, the group will need to see a substantial rise in sales volume to justify any significant increase above that level. The shares dropped 6p yesterday to 40p where the group is capitalised at just over £2½m.

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BIDS AND DEALS

# GEC reduces ICL stake

BY CHRISTOPHER LORENZ

GEC has taken advantage of the recent above-average price rise of International Computers shares to reduce its holding from 19.25 per cent. to just under 18.2 per cent. of the Ordinary it was revealed yesterday—on the eve of ICL's annual meeting.

The market price was virtually unaffected by the news, and the shares closed at 125p, compared with last year's low of 29p. GEC said it had always been known that its take was not a long-term holding. While claiming there were no plans to sell any more than the 350,000 shares—which has cut its stake to 6,725,000—GEC said future plans depended on how high the price went.

GEC maintains a general policy of holding a minimum of minority stakes in companies not under its management control, and its view that ICL should be no exception in principle has become known in recent years, especially when it refused to match the increase in Plessey's holding to 20.15 per cent.; in 1973-1974 it did raise its stake marginally from 19.02 per cent., however.

ICL's share price has risen from only 49p on November 1, and 70p at the beginning of the week of its preliminary announcement in early December. The steep increase has been due partly to better-than-expected results, but mainly to the hint that, after years of nominal payouts, the dividend could be restored to 11½p gross once Government support of research and development ends in September.

## Gt. Portland purchase

Great Portland Estates announces that its wholly owned subsidiary, JLP Investment, has exchanged contracts with the City of London Real Property Company, a subsidiary of Land Securities Investment Trust, for the purchase of the freehold of part of the recently completed office building at 88-104, Bishopsgate and 1-11 Camomile Street.

Consideration is to be approximately £1.72m. and will be satisfied by the issue of 738,453 Ordinary shares in Great Portland Estates.

These shares have been placed, subject to completion, on behalf of CLRP by Grieveson, Grant and Co.

### CHAPMAN BALHAM SHARE SALES

A director of envelope manufacturers Chapman and Co. (Balham), Mr. C. D. Chapman, sold 2,500 shares in the company registered in his name on December 16, and a further 7,500 on December 23.

On December 2, 1975, Mr. Chapman sold 7,749 shares registered jointly in his name and those of Mr. M. Holt and Mr. P. R. Davies, the company secretary. This transaction represented a transfer to Mr. Holt and Mr. Davies, acting as trustees of a further settlement in which Mr. Chapman is neither a trustee nor beneficiary.

A disposal of 45,000 shares by Messrs. Chapman, Davies and Holt, acting as trustees, took place on January 6, 1976.

## Warren Tea expansion—to pay more

Warren Tea Holdings has acquired from James Warren and Co. the issued capital of James Warren and Co. (Africa), a Kenya registered company engaged in plantation management, light electrical and mechanical engineering and the manufacture of concrete products.

Consideration is the allotment of 300,000 new Ordinary shares, together with £5,000 in cash. On the basis of a middle market price for Warren Tea on January 20, 1976, of 77½p, the aggregate value of the consideration is £237,500. Arrangements for the placing of the new shares are being handled by Robert Fleming in conjunction with E. B. Savory Milln.

At September 30, 1975, net tangible assets of Warren (Africa) were K£290,013 (approximately £346,682) and pre-tax profits for the year amounted to K£63,183 (around £75,529).

Also announced is the interim statement from Warren Tea, which states that the directors are confident profits for the current year will show a further "satisfactory" increase over last year.

They intend to recommend for 1975 the maximum dividend permissible under existing regulations. An interim of 2.6p net per share is declared, against 2.2p in 1974, in order to reduce disparity between interim and final.

### SHARE STAKES

London Sumatra Plantations—Golden Hope Plantations has bought a further 16,000 Ordinary to make its holding 1,817,216 shares.

Sheffield Refreshment Houses—Neepsend now hold 65,326 Ordinary shares (18.34 per cent.).

Cakebread Robey—Executors of Mr. A. E. L. Robey have sold 19,000 Ordinary shares which reduces their holding to 65,786 shares at which figure it ceases to be 10 per cent. or more of the voting equity.

Jamaica Sugar Estates—Gombrette holds 900,000 Ordinary shares (27.8 per cent.) and Mr. P. Landor 700,000 (21.6 per cent.)

Mr. C. C. Cooper has bought 220,000 (12.94 per cent.) Deferred 10p shares in Jevons Cooper.



# Hawkins & Tipson well placed

IN HIS annual statement, the chairman of Hawkins and Tipson, Mr. J. E. Hawkins, says the company is in "excellent shape" to face the future.

None of the numerous freehold properties is subject to charges and there is still a reasonable amount of land for expansion purposes when required.

In the present economic climate it would be imprudent to make a forecast for the current year but the chairman hopes to give some indication at the AGM.

As reported on January 9, turnover expanded by 31 per cent. to £12.05m. in the year to August 31, 1975 and pre-tax profits reached £1.2m., against £0.86m. after a forecast of about £1.1m. at the time of the 3-for-8 rights issue in May 1975 which raised over £0.9m. The net dividend total is lifted from 2.613p to 3.25p.

The directors point out that in terms of current purchasing power the profit would have been about £0.86m., while net assets would have shown an increase from £5.22m. to £7.02m.

An analysis—in percentages—of turnover and profit by activity shows:—Natural and synthetic ropes (including Marlow Ropes) 64 and 74, wire rope and wire products and 21 and 15, and domestic 15 and 11. The subsidiaries in Continental Europe contributed some 16 per cent. to turnover and 11 per cent. to profits.

So as to enable further modern and sophisticated equipment to be introduced in particular areas of activity, over £0.9m. of capital expenditure was incurred during the year—a substantial part in the wire division. An additional £600,000 is expected to be spent this year.

After the year end a large wire drawing business in Halifax was acquired "at a very favourable price." This will double wire capacity and add nearly £2m. to group sales of which 40 per cent. will be exports. More details will be given at the AGM.

Meeting, Grosvenor House Hotel, W., on February 12, at 5.30 p.m.

## Profit fall for Bank Leumi (U.K.)

The adverse general economic conditions have affected profitability at Bank Leumi (U.K.) and the net surplus has fallen from £278,694 to £222,446 in 1975.

Current, deposit, and other accounts increased from £79.35m. to £91.48m., and total assets from £101.68m. to £109.52m.

The dividend total is held at 7.252p net per £1 share with a final of 4.572p.

| | 1975 £ | 1974 £ |
|---|---|---|
| Net profit | 222,446 | 278,694 |
| To reserves | 100,000 | 112,509 |
| Interim dividend | 53,606 | 52,719 |
| Proposed final | 91,139 | 91,139 |
| Forward | 78,499 | 100,792 |

The directors say that 1975 was a year of divergent developments. The volume of business and the number of customers increased significantly and current and deposit accounts in particular progressed favourably.

## London Elect.

Gross revenue of London Electrical and General Trust was little changed at £444,492, against £450,528, for the half year to December 31, 1975, subject to reduced interest, expenses and tax of £252,068, compared with £265,832. Gross revenue for all the year to June 30, 1975, was £897,765.

Stated earnings per 25p share for the six months increased from 1.41p to 1.47p net, and the interim dividend is stepped up from 0.95p to 1.1p net. Last year's total was 225p.

Net asset value per share is shown at 97p against 59p.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

# 'Very substantial' cut in Citroen losses

BY RUPERT CORNWELL

PARIS, Jan. 21.

IN PERHAPS its most cheerful pronouncement for two years, the French car maker Citroen to-day reported a rise of some 35 per cent. in sales last year and a "very substantial cut" in operating losses, which reached almost Frs.1bn. (£110m.) in 1974.

Moreover the company claimed that a slight rise in output last year had given it back its place as the country's second motor manufacturer, well behind the state-owned Renault, but once more marginally ahead of its one-time rival but now partner Peugeot.

Production in 1975 totalled 692,500 units, of which 623,705 were private vehicles, a boost of 5 per cent. This trend, however, contrasted with a 23 per cent. drop on the commercial vehicle side, indicative of the dire trouble in which the entire sector found itself last year.

The extent to which 1975's jump in turnover to Frs.8.9bn. (£960m.) reflects the higher prices introduced in the past 12 months is shown by the fact that domestic registration fell by 6.7 per cent.—although this was less than the 7.5 per cent. decline suffered by the industry *as a* whole. Improvement only began from September onwards as a result of the interest generated by a hugely successful Paris Motor Show and the relaxation of hire purchase restrictions contained in that month's reflationary package. French registrations of 311,117 vehicles gave Citroen a market share of 18.3 per cent.

*The export front proved much* more successful. Sales abroad jumped 8 per cent. last year to 381,571 units, meaning that 55 per cent. of the company's total production went for export compared with only 47 per cent. in the record year of 1973 before the energy crisis.

Mainly responsible was the 18 per cent. expansion achieved in the second largest foreign market of West Germany, where the top of the range CX model fared particularly well. Deliveries to Britain also soared by 37 per cent. to 22,049.

The announcement of preliminary figures from Citroen have coincided with the first evidence of how Peugeot—due to lift its holding in the former to a majority in a few months' time —fared itself in 1975.

Output and sales totalled 644,000 and 653,000, declines of 7 per cent. and 4 per cent. respectively. Sales in France, however, rose 1.5 per cent. to 325,000 units.

The up-market 504 was the biggest beneficiary of a year which saw a shift back to more expensive and powerful models in France. Turnover in 1975 climbed 19 per cent. to some Frs.11.8bn. (£1.3bn.), while the traditionally cautious management of the group will enable it to report higher profits and an improved financial position from a year earlier.

# Gloeggler back in the pot

BY GUY HAWTIN

FRANKFURT, Jan. 21.

SETTLEMENT of the Gloeggler concern's liquidity crisis appears to be back in the melting pot. The main difficulty facing Banks and Bavarian public officials in implementing a rescue operation for the group's leading subsidiaries appears to be the continued opposition of the group's founder, Herr Hans Gloeggler.

While there is little sympathy here for Herr Gloeggler, the independent shareholders appear to have just cause for complaint in that Erba DM100 shares were being traded at around DM675 immediately before Christmas (when talks on Gloeggler's problems were well under way) while AKS DM50 shares were quoted at about DM140. Prices were not very much lower when dealings in Gloeggler shares were suspended.

Herr Gloeggler has cited the case of the independent shareholders in his objections to the settlement. He has also come out adamantly against the splitting up of the group into independent companies as part of the solution.

Sixty-five-year-old Herr Gloeggler has also caused considerable turmoil in the West German financial community by his attitude to the settlement. It was believed that Herr Gloeggler, who is said to have been unwell, had given two of his executives power of attorney to act for the Gloeggler interests in hammering out a solution to the liquidity crisis.

When the Bavarian public officials and 14 creditor banks announced the original settlement—which included a moratorium on debts exceeding DM32m.—Herr Gloeggler rejected the proposals and withdrew the powers of attorney from the two men.

After a subsequent hour-long meeting with Bavarian Economics Minister Herr Anton *Jaumann, the Ministry* announced that Herr Gloeggler had accepted the Ministry's "concept" of the solution and that he had restored the powers of attorney, at least in the case of AKS and Erba.

No sooner had this statement been issued, than Herr Gloeggler issued a flat denial. Through his lawyers, he reiterated his position on the settlement, said that views were unchanged and said that he had met the *Minister* only with the intention of co-operating in a search for a solution acceptable to all parties. There, the matter appears to rest.

Meanwhile, facts are emerging about the size of the borrowings made by the Gloeggler holding company. The Bank Fuer Gemeinwirtschaft is the leading creditor and reliable source here in Frankfurt state that its loans to the Gloeggler group total a minimum of DM52m. and could be as much as DM140m. American Express's German subsidiary is said to be owed about DM20m., while similar sums have been loaned by other creditors including Commerzbank. The troubled Hessischer Landesbank is also said to have made substantial advances to the Gloeggler holding company.

## Indesit loss for 1974-75

TURIN, Jan. 21.

INDESIT, the domestic appliance manufacturers, has posted a net loss of L655m. for 1974-75, against net income of L170m. previously. It said that the loss was due to a reduction of output and to very high amortisation charges. The company said that its amortisation charges reached L12bn., of which L5bn. was written off before the legally required deadline.

AP-DJ



# Growth at Westland Hypo

By Michael Van Os, Amsterdam

WESTLAND-UTRECHT, Holland's largest mortgage bank, said in a provisional statement published here that its profits in 1975 had shown an increase which would be "at least equal" to the rise the year before. In 1974, the company's net profits had risen about 10 per cent. to Fls.19.1m. The company looked forward to the current year "with confidence."

The statement to shareholders added that its mortgage portfolio increase had exceeded the Fls.1bn. mark for the first time in 1975. It went up to Fls.4.1bn. from Fls.3.08bn. the year before when the increase had been nearly half as big at Fls.511m. The important expansion was partly attributable to a fruitful co-operation with brokers.

Westland-Utrecht, which is based in Amsterdam, said that the real estate sector had shown a satisfactory development in 1975 which has resulted, it is thought, in an increased contribution to operating results. In 1975, the company and its affiliates had commenced construction of projects totalling Fls.148m.

The statement added that the capital market had offered sufficient scope for Westland's credit and property activities financing and the total amount of funds taken up—excluding the issued subordinated bond loan of Fls.25m.—increased on balance by Fls.900m., compared with *Fls.565m. in 1974*, to reach Fls.4.03bn. The subordinated convertible had been issued in view of the growth of activities.

## Expansion plans at Georg Fischer

By John Wicks

ZURICH, Jan. 20.

THE SWISS engineering concern Georg Fischer, of Schaffhausen, expects turnover for 1975 to have been of about the same level as in 1974. The firm basis provided in the widely-diversified group's castings, plant and machinery and finished products *(fittings, plastic products and* wheels) permits the company to counter the very varied development of markets "flexibly," according to a Board statement.

Rationalisation of re-structuring measures are, however, being carried out in order to maintain employment on a long-term basis and improve profitability, the company states in a communique, close co-operation with the employees' *representatives being intended to bring* about a joint solution to personnel problems.

The company further announces that it plans an expansion of the production programme, better use of modern production installations group-wide and the creation of a second shift in the Schaffhausen foundry.

## Sundstrand to raise $20m.

By Mary Campbell

THE ILLINOIS company Sundstrand is raising $20m. on the Eurobond market. The company raised $25m. in a private placement of eight-year floating rate notes in 1970 via Western *American Bank*, but is otherwise unknown on the Euromarkets.

Indicated coupon on the new issue is 9½ per cent. maturity seven years and lead manager S. G. Warburg.

Sundstrand is an advanced technology company involved in the design, manufacture and sale of products such as hydraulic, mechanical and electronic systems for jet aircraft. Consolidated net sales and earn*ings were $375.5m. and $16.2m.* for the first nine months of last year, 11.8 and 21.7 per cent. respectively above the comparable figures for 1974.

Sundstrand's last major financing was a $60m. private placement in the United States last November. The final maturity on this was 25 years and the coupon 10½ per cent. It does not, however, have a rating.

ICI is to launch a Sw.Frs.80m. issue on the Swiss international bond market during the next few days. Lead manager is Credit Suisse.

General Motors Acceptance Corporation of Canada has increased the size of its two-tranche Eurobond issue from $C60m. to $C100m. The coupons on both tranches had earlier been cut by a quarter of a point to 9½ per cent. for the ten-year issue and 9 per cent. for the six-year issue. Each tranche has been raised from $30m. to $50m. and priced at par.

EATON'S OF CANADA

# The old order changeth

BY JAMES SCOTT, TORONTO CORRESPONDENT

A CANADIAN institution as hallowed as the maple leaf, the mounties, the beaver and ice hockey will disappear within a few weeks. Eaton's of Canada, *at present the largest retailer in* the country, has announced that it will phase out its $Can300m.-a-year catalogue mail order operation by the end of May.

Eaton's is terminating the catalogue operation to staunch a flow of losses which date back at least 10 years and which have been accelerating rapidly. The division's loss for 1974 was in excess of $Can17m. and the company says that the 1975 loss was greater. As a result, the 4,500 permanent and 4,500 part-time employees will lose their jobs.

## Loss risk

Eaton's, a privately held corporation, said that the company could not continue to sustain losses of this magnitude without risk to its principal business and the jobs of more than 40,000 employees in its retail chain-store operation across Canada.

The side effects of the decision are difficult to assess but it is estimated that more thousands employed by the 1,500 companies that supplies the goods offered through the catalogue will be laid off. Two hundred employees, some with up to 40 years service, have already been let go by Southam Murray, the printing company which produced the catalogue, a Press run of 2m. copies twice a year plus four smaller seasonal books.

The catalogue order was worth more than $C10m. a year to Southam Murray and constituted about 40 per cent. of its business. The company has cancelled its order for a new $C3.5m. press.

Eaton's failure to innovate in a rapidly changing consumer market is blamed for the company's withdrawal from the mail order *business, which now leaves the* field wide open for its long time competitor, Simpsons, and its 50 per cent. owned Simpsons-Sears, in which Sears Roebuck of the U.S. is its partner. Simpsons-Sears has been making money through its catalogue operations, with an annual sales volume of $Can.600m. As a result of the change at Eaton's and the extra business it will bring to Simpsons-Sears, Simpson is expected to supplant Eaton's as the largest Canadian retailing organisation with expected annual sales of $Can.1.6bn. against a projected $Can.1.56bn. for Eaton's.

The Simpsons organisation now becomes Canada's largest retailing group, with total turnover, including its cross-Canada store operations, of about $Can.1.6bn.

The decision to phase out the catalogue operation was not an easy one for Eaton's. In major Canadian cities it has been represented by its huge department stores. In the remainder of Canada, it was the mail order catalogue which made Eaton's a national institution. The catalogue business, established 92 years ago, was the first, the most widely distributed and best-known shopper's guide.

*It served a national purpose* which is not often recognised. It introduced competition into smaller centres which would otherwise have been dominated by the price-setting decisions of local merchants. Everywhere the Eaton's catalogue went, merchants were forced to meet, or at least approach, the standards of quality, service and price provided by the mail order house.

For the consumers who lived *in small towns and farms*, the catalogue provided a ready reference point. It told them not only how much they might expect to pay for goods, but the products which were available on the market. For many of these people it was perhaps the only contact with the new world of mass merchandised dreams spreading outward from the country's urban core.

The catalogue followed the early settlers into Western Canada and introduced them to a long succession of consumer products. People living 100 miles from the nearest store could buy just about everything they needed except a good meal.

## Changing times

A look back at the old catalogues shows just how much things have changed. A man's blue serge suit could be had for $C3, according to the 1901 issue. A hardwood chair cost 35 cents, a brass bed was going for $C33.35 and a 100 piece dinner set of fine French china was $C32.

Big sellers, to judge from the number of pages devoted to such things, included bibles, guitars, mandolins and women's corsets with guaranteed unbreakable ribs.

The mail order catalogue was well suited to a fragmented and dispersed market. However, the urbanisation of Canada altered the nature of the market and imposed a need to adapt on the mail order houses. The extent of the population shift is evident in the statistics. The proportion of the population counted as rural fell from 46 per c[ent] 1931, when the mail business was really thri[ving] less than 22 per cent. i[n] and possibly less than cent, to-day.

Canadians were moving the country regions into centres, enlarging the bi[g] and populating the subur[bs] almost all of the huge [...] of immigrants who have to Canada in the past [...] also settled in the cities.

One result of this [...] most of the people who [...] by mail were also the who now were able to [...] the big urban department Simpsons-Sears recognis[ed] fact early. The merchand[ise car]ried in its catalogue is [essen]tially the same as tha[t] stocked in its stores. But maintained separate inve[ntories] at substantial cost, and [...] one line in its departmen[t stores] and a different line in [cata]logues.

*Meanwhile*, the costs [of pro]ducing and distributing [cata]logues increased steadily. [...] estimates that the cost [of pro]ducing and distributing [...] catalogues averages $[...] customer. To break ev[en the] company must sell the c[...] $C230 to $C240 wor[th of] merchandise a year. [...] past several years, the c[ompany] has followed a policy o[f drop]ping from its catalogue list the names of custom[ers who] failed to buy the m[inimum] volume of merchandise. [...] accepted practice, but it [had the] effect of steadily eroc[...] potential market, which [...] reached the point where [...] found that it would be to[o ...] to recapture.

# Sperry Rand still on target

FINANCIAL TIMES REPORTER

SPERRY RAND'S net income for the third quarter ended December 31 was $35m., or $1.01 per share, up 7.1 per cent. from $32.7m. or 94 cents per share for the comparable period last year. The latter included a gain of $5.4m., or 16 cents per share, from the sale of surplus land. Excluding the gain from the land sale income rose 28.5 per cent.

"Sperry continued to meet overall income objectives in the third quarter," said J. Paul Lyet, chairman and chief executive officer. "Despite a continuing weak economic climate for capital goods, we expect to remain on target for this fiscal year."

Mr. Lyet said that revenue from computers and farm equipment in particular was up in the third quarter, but these gains were more than offset by expected revenue reductions in fluid power products and office equipment. Additionally, the weakening of certain foreign currencies in recent months resulted in a significantly lower U.S. dollar value of revenue from foreign operations: the adverse effect approximated $24m. in the December quarter.

"Sperry Vickers fluid power business experienced a 23 per cent. drop in revenue in the December quarter," Mr. Lyet said. "The division continues to do an excellent job in predicting and managing the effects of this economic cycle. Revenue is expected to be off approximately 14 per cent. for the fiscal year with the biggest decline coming in the third and fourth quarters.

"New orders for Sperry Vickers fluid power products improved in December and we believe the bookings improvement will continue. Our defence business continues to show a strong new order situation and Sperry New Holland orders remain at a high level, ensuring a continuing strong shipment picture.

"Revenue from our office equipment product line was down 18 per cent. as a result of the elimination of unprofitable products. Our continuing programme to restructure the business and make more productive use of assets is beginning to have an impact," Mr. Lyet said.

## RCA earnings jump

BY OUR OWN CORRESPONDENT

NEW YORK, Jan. 21.

SOARING TO the highest quarterly level since 1974s second quarter, RCA Corporation's fourth quarter net reached $33.4m or 43 cents a share, a 101 per cent. jump over the comparable period last year.

Despite this quarter's strong performance, putting the full-year earnings at $110m. or $1.40 a share, 1975 earnings are still 3 per cent. below the $113.3m., or $1.45 a share of 1974.

Following a 9 per cent. rise in the third period, this quarter's gains mark the second consecutive increase after seven quarters of decline.

Chief executive officer and President Anthony L. Conrad, who took over from Robert Sarnoff last November, attributed the improvements to record earnings in most of the company's subsidiaries, and to a general strengthening of the economy.

The Hertz Auto Rental subsidiary, National Broadcasting Company, RCA Global Communications (which last month launched its first domestic communications satellite) Banquet Foods Corporation and RCA Records all enjoyed record earnings in 1975, according to Mr. Conrad.

# Sharp drop in Alcoa income

By JOHN WICKS

ZURICH, Jan. 21.

NET INCOME of the Aluminium Company of America (Alcoa) fell to only $64.8m. or $1.85 per common share, last year, as compared with $174.6m., or $5.18 per common share, in 1974. Return on invested capital declined over the year from 7 to 2.3 per cent. and return on shareholders' equity from 11.3 to 4.1 per cent.

Sales and operating revenues were *$2.3bn. in 1975*, according to a communique issued by the company's Lausanne subsidiary, as compared with $2.7bn. in the previous year, actual income from operations decreasing to $54m. ($164.1m.). Shipments of aluminium products in 1975 were down to 1.34m. (1.96m.) tons, with primary aluminium output at 1.36m. (1.72m.) tons.

*Alcoa's domestic primary* aluminium operating rate, at 101 per cent. of rated capacity in 1974, fell to an average 79.8 per cent. for 1975 and a current level of 74 per cent., aluminium fabricating operations having been at an even lower level. The year's results mirrored a combination of low economic activity on major markets and the existence of large customer aluminium inventories. *Company chairman W. H. K. George* said that the 1975 results "were depressed by large increases in the unit cost of virtually everything we buy."

Furthermore, he said, interest costs increased substantially in 1975 with the addition of new borrowings at higher interest.

Although some price increases were effected, "the market was generally too weak to permit a level of prices fully justified by *our cost increases.*"

A recent definite upswing in tons ordered per day seems to indicate that the large customer inventories had been worked down by the year-end, said Mr. George.

## Stauffer well placed

FINANCIAL TIMES REPORTER

STAUFFER Chemical net earnings for 1975 increased 27 per cent., to $98.7m. or $9.19 a share on a fully diluted basis.

Firm pricing throughout the year, a sold out position in agricultural proprietaries and a modest increase in demand for other products beginning in the third quarter contributed to the company's 1975 performance, said Mr. H. B. Morley, president and chief executive.

He believed Stauffer was well-positioned to make continued improvement in 1976. In real terms, earnings should be ahead of 1975 by a minimum of 10 per cent. — even with only a moderate rate of recovery in the economy, said Mr. Morley.

## Caterpillar increases profit

FINANCIAL TIMES REPORTER

CATERPILLAR Tractor company's earnings for 1975 are $6.97 a share, $2.96 a share higher than for 1974, from sales up 21.6 per cent. to $4.96bn.

The higher profit resulted primarily from higher sales and improvement in operations. Much of the improvement in operations was achieved because of a more even flow of materials from suppliers than was experienced in 1974. This produced a significant reduction in the processing and handling time required to assemble finished products. As a result, overtime work was reduced.

## Patrick creditors set up committe[e]

By James Forth

SYDNEY, Ja[n. ...]

CREDITORS OF the faile[d ...] broking firm Patrick [...] have set up a comm[ittee to] examine a scheme of [arrange]ment proposed by the tr[...] 11 of the 12 partners, [...] Jamison. If the sch[eme is] accepted and impleme[nted it] would save the partne[rs from] bankruptcy. The commi[ttee was] established at an unoffici[al meet]ing of creditors called [by Mr.] Jamison. He wanted cre[ditors to] consider the scheme befo[re bank]ruptcy moves started [by the] Sydney Stock Exchang[e in] court. The Sydney Exch[ange ...] the partners' largest [...] Intermarine Australia [...] represented on the co[mmittee.] However, other large [...] are the Commercial [Banking] Company of Sydney and [...] of New South Wales w[...] prepared to belong to the [commit]tee at this stage but wo[uld give] careful consideration t[o hav]ing a representative [...] seconded if such a pow[er is] given to the committee.

### Reservations

The meeting was atte[nded by] about 200 creditors, wit[h ...] expressing doubts and [reserva]tions about the scheme [...] committee was recomme[nded by] the chairman of the [...] stock exchange, Mr. John [Valder.] He *said there were a* [number] of areas of the scheme which the exchange ha[d] doubts and that it h[ad not] received entirely sati[sfactory] answers to questions pu[t to Mr.] Jamison. "The exchan[ge does] not feel it is in a pos[ition to] express a definite positio[n on the] scheme at the momen[t," Mr.] Valder said. "Some q[uestions] involve quite complicate[d legal] and accounting issues. [The ex]change feels that ev[eryone's] interests would be serve[d by the] formation of a committe[e and] will make its facilities a[vailable] to such a committee [so that] every effort can be m[ade to] dispel doubts about the [scheme."]

The proposed sche[me of] arrangement involves [...] *Management*, a compan[y spon]sored by a group of V[...] doctors raising $A2.6m. [in] capital and loan funds a[nd pur]chasing some of the a[ssets of] the Patrick Group. A [...] aspect of the plan is the [ability] of the partners to cont[inue to] work in the securities in[dustry.]

If they can, all 12 have to contribute $A600,000 c[...] five year period of the s[cheme.]



SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

| STRAIGHTS | Bid | Offer |
|---|---|---|
| Aquitaine 10pc 1985 | 102½ | 103½ |
| Ashland 8pc 1987 | 93 | 94 |
| Austraswiss 8pc 1987 | 92 | 93 |
| Borregaard 8½pc 1989 | 96½ | 97½ |
| Broken Hill 10pc 1986 | 104½ | 105½ |
| Carrier 9pc 1987 | 93½ | 94½ |
| Conoco 9pc 1986 | 99 | 100 |
| Consd. Foods 7½pc 1991 | 88½ | 89½ |
| Cutler Hammer 9pc 1987 | 92½ | 93½ |
| EIB 9½pc 1985 | 100½ | 101½ |
| ERAP 9½pc 1985 | 101 | 102 |
| Esso 8pc 1986 Nov. | 99 | 100 |
| General Cable 8½pc 1987 | 91 | 92 |
| General Motors 8½pc 1986 | 103½ | 104½ |
| Grangesa 8½pc 1985 | 99½ | 100½ |
| GTE 8½pc 1986 | 97 | 98 |
| New Zealand 9½pc 1982 | 102 | 103 |
| Pacific Light 8pc 1988 | 94 | 95 |
| Prov. of Quebec 7½pc 1989 | 88 | 90 |
| Quebec Hydro 8½pc 1989 | 99 | 100 |
| Queensland 9½pc 1987 | 92½ | 93½ |
| Seanraff 8½pc 1988 | 98½ | 99½ |
| Shell 8pc 1986 | 99½ | 100½ |
| Stand. Oil (Ind.) 8½pc 1988 | 101 | 102 |
| Tenneco 7½pc 1987 | 91 | 92 |
| Transocean 8pc 1986 | 99½ | 100½ |
| Utah 8pc 1987 | 96 | 97 |
| Volvo 9½pc 1984 | 101 | 102 |

| NOTES | Bid | Offer |
|---|---|---|
| Air France 9½pc 1982 | 101½ | 102½ |
| Ardal 9½pc 1989 | 101½ | 102½ |
| Aust. Ind. Dev. 10½pc 1981 | 103 | 104 |
| Barclays 9½pc 1982 | 100½ | 101½ |
| Cie. Ntl. du Rhone 10pc '82 | 103½ | 104½ |
| Du Pont 7¾pc 1978 | 101 | 102 |
| Esso 7½pc 1978 | 100½ | 101½ |
| General Motors 9½pc 1976 | 100 | 101 |
| Montreal 9½pc 1981 | 102½ | 103½ |
| Nippon Steel 9½pc 1980 | 101 | 102 |
| Norway 9pc 1980 | 102 | 103 |
| Skand. Enskilda 10½pc 1981 | 105½ | 106½ |

Source: White Weld Securities.

| CONVERTIBLES | Bid | Offer |
|---|---|---|
| American Express 4½pc '87 | 87 | 89 |
| Ashland 5pc 1988 | 84 | 86 |
| Beatrice Foods 4½pc 1992 | 97 | 99 |
| Beatrice Foods 4½pc 1992 | 107½ | 109½ |
| Borden 5pc 1992 | 98 | 100 |
| Broadway Hale 4½pc 1987 | 79 | 81 |
| Canon Camera 7½pc 1989 | 102 | 104 |
| Carnation 4pc 1987 | 87 | 89 |
| Chevron 5pc 1988 | 99 | 101 |
| Dart 4½pc 1987 | 87 | 89 |
| Eastman Kodak 4½pc 1988 | 124 | 126 |
| Economic Labs. 4½pc 1987 | 81 | 83 |
| Eidal 7½pc 1989 | 76 | 78 |
| Fed. Dept. Stores 4½pc '85 | 135 | 137 |

| | Bid | Offer |
|---|---|---|
| Firestone 5pc 1988 | 91 | 93 |
| Ford 6pc 1986 | 92 | 94 |
| Ford 5pc 1988 | 82½ | 84½ |
| General Electric 4¼pc 1987 | 89½ | 91½ |
| Gillette 4¾pc 1987 | 79 | 81 |
| Gould 5pc 1987 | 87 | 89 |
| Gulf and Western 5pc 1988 | 96 | 98 |
| Harris 5pc 1992 | [illegible] | 76 |
| Honeywell 6pc 1986 | 80 | 82 |
| ITT 4½pc 1987 | 71 | 73 |
| Komatsu 7½pc 1990 | 108½ | 110 |
| J. Ray McDermott 4¾pc '87 | 122 | 124 |
| Mitsui 7½pc 1990 | 111 | 112½ |
| J. P. Morgan 4½pc 1987 | 111 | 112½ |
| Nabisco 5½pc 1988 | 95 | 97 |
| Owens Illinois 4½pc 1987 | 99 | 101 |
| J. C. Penney 4½pc 1987 | 85 | 87 |
| Pioneer 6½pc 1989 | 211 | 213 |
| Rank 4½pc 1988 | 49 | 51 |
| Revlon 4½pc 1987 | 102 | 104 |
| Sperry Rand 4½pc 1987 | 96½ | 98½ |
| Squibb 4½pc 1987 | 84½ | 86½ |
| Texaco 4½pc 1988 | 78 | 80 |
| Toshiba 6½pc 1990 | 103 | 104½ |
| Union Carbide 4½pc 1982 | 122 | 124 |
| Warner Lambert 4½pc 1987 | 94 | 96 |
| Warner Lambert 4½pc 1988 | 84 | 86 |
| Xerox 5pc 1988 | 75 | 77 |

Source: Kidder, Peabody Securities.



هكذا صو الأصل

COMPANY NEWS

# Union Discount turns in lower profits

LOWER PROFITS of £3,068,346 for the year 1975, compared with £3,570,811 in 1974, are reported by the Union Discount Company of London. They are struck after providing for rebate, taxation and making a transfer to inner reserve.

Last July, the directors said that first half pre-tax profits were greater than in the corresponding previous year period, but that they considered it was not possible to forecast the full year's outcome.

They are recommending a final dividend of 10.16p per £1 stock unit, lifting the year's net total from 16.08p to 17.16p—with the related tax credit this is the maximum permitted under current legislation.

Total current assets at December 31, 1975, were approximately £788m. compared with £657m. at end-1974 and are stated in the balance sheet at less than market value, the statement shows. The average life of these assets, excluding £31m. Government Stocks, was 30 days, against 62 days.

The 1975 transfer to reserve is £1m., compared with £2m. last time. Issued share capital, published reserve and profit and loss account stood at £14m. (£12.2m.) at the year-end.

| | 1975 £ | 1974 £ |
|---|---|---|
| Profit | 3,068,346 | 3,570,811 |
| Transfer to reserve | 1,000,000 | 2,000,000 |
| Leaving | 2,068,346 | 1,570,811 |
| Dividends | 1,297,000 | 1,206,000 |
| Balance | 761,346 | 364,811 |
| Brought in | 731,329 | 336,319 |
| Forward: | | |
| Parent | 1,180,073 | 385,086 |
| Subsidiary | 312,863 | 211,084 |

See Lex

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:— Amalgamated Tin Mines of Nigeria, Cowan De Groot, Hales Properties, Hallite Holdings, Henderson-Kenton, Inchcape, London Atlantic Investment Trust, Marston Thompson and Evershed, Oliver Pell Control, Southern Kinta Consolidated, David S. Smith, Vinten Group, Vita-Tex.

Finals:— Anglia Television, C.G.S.B., Capital and County Laundries, Derby Trust, A. Kershaw, Lincroft Kilgour, London Australia Investment, Lookers, Mackinnon of Scotland, Pleasurama, Rank Organisation, Second British Assets Trust, Taco, Tate and Lyle, Watson and Philip.

FUTURE DATES

| | |
|---|---|
| Interims:— | |
| M. L. Holdings | Feb. 27 |
| Finals:— | |
| C.C.H. Investments | Feb. 10 |
| Gestetner | Jan. 28 |
| Mercantile Investment Trust | Mar. 16 |
| Vereeniging Refractories | Jan. 28 |

# Reliant loss is £0.42m. halfway

THE "INEVITABLE" loss for the six months ended August 31, 1975, forecast by Reliant Motor Group turns out to be £419,000, compared with a £200,000 profit in the corresponding period last time.

There was a loss on vehicle manufacture of £436,000 (profit £92,000), while engineering produced a profit of £17,000 (£108,000). The motor company and Press operations, which also traded at a considerable loss, suffered from the effects of the economic recession and operated a shortened working week throughout the six months. Hodgkinson Bennis and Smith Forgings both reported profits and traded well.

The directors forecast that motor losses will be stemmed when the model change programme is completed at the beginning of the next financial year, subject to no further worsening of the economic situation. Then, all production will be of newly introduced vehicles and the range will comprise 850 cc. Robins, Kitten Saloon and Estate, and a new Scimitar GTE. Response from the public "has been encouraging" and there is every prospect that full-time working will be required for some time.

Press Operations has adjusted its structure and labour force to match market conditions and although further losses have been incurred since the half year, these are now greatly reduced. It is believed profitability will be restored when market activity increases.

Hodgkinson Bennis and Smith's Forgings have maintained full-time working and have high hopes that they will continue to do so. The Manchester company has been very active in seeking additional overseas business.

| | First half 1975 £000 | 1974 £000 |
|---|---|---|
| Turnover | *10,799 | 10,467 |
| Motor Vehicle | 7,924 | 8,794 |
| Engineering | 2,664 | 1,453 |
| Loss before tax | 419 | †200 |
| Motor vehicle loss | 436 | †92 |
| Engineering profit | 17 | 108 |
| Taxation | 218 | 103 |
| Net loss | 201 | †97 |

* Includes export £1.27m. (£1.18m.). † Profit.

In the year ended February, 1975, the group made a profit of £508,000 and paid an 0.175p net dividend.

### ● comment

A dramatic shift by Reliant into losses of £419,000 after a profit of £308,000 in the preceding six months, took the shares ½p lower to 8½p yesterday, even though a loss had been indicated as far back as last July. The motor division's drop is mainly attributable to two factors: the fall in car sales resulting in four-day working, and the complete model change, along with the introduction of the Kitten—a small four-wheeled saloon. The effects of changing the model range will depress results for the full year, and it will be the early stages of 1976-77 before profits are achieved. Still, the Kitten takes the group into a new and much wider market, while registrations of the Robin three-wheelers were higher in 1973 than 1974. So the motor division (the Scimitar apart) is aiming at the right end of the market for growth. Nevertheless, the market capitalisation of £2.12m. suggests reservations about prospects, and a dividend this year is almost certainly out.

# Scottish American

Gross income of The Scottish American Investment Company decreased from £3,436,263 to £2,731,000 in 1975. A final dividend of 1.2p net lifts the total from 1.75p to 1.8p per 50p share.

Net asset value per share is shown at 68.2p compared with 35p a year earlier.

# Staveley first quarter improvement

AT YESTERDAY'S annual meeting of Staveley Industries, the chairman, Mr. H. R. Moore, said that, with the first quarter of the current year to September 30, 1976, behind them, he could confirm his earlier expectation that 1976 would be a year of "further significant" progress for the company.

Mr. Moore recalled that in his statement in the annual report he said internal budgets for the 1976 financial year, prepared on conservative assumptions, indicated that every product group should improve its profitability.

He also made it clear at the time that circumstances outside the control of the group could upset some of those budgets, but that the directors expected results to show an overall improvement.

The chairman told the meeting yesterday that the overall economic situation had not shown any significant improvement since this statement was written. Nevertheless, he reported that results for the first quarter of the current year were satisfactory and show year were satisfactory, and showed a considerable improvement over the corresponding period in the preceding year.

This was despite the fact that some of the operating divisions, particularly those in the Staveley Lime orbit, continued to suffer from the depressed trading climate—this was allowed for in the forecasts, he pointed out.

Group activities include chemicals and mineral extraction, electrical and mechanical services, foundry products and abrasives, machine tools and mechanical engineering.

# Amalgamated Distilled downturn

First half turnover of Amalgamated Distilled Products decreased from £4.23m. to £3.95m., and pre-tax profit contracted from £160,051 to £51,514.

However, the chairman, Mr. E. Goodman, reports a considerable improvement in sales and profitability in the third quarter. But it would be impracticable to forecast the final outcome in view of the general widespread difficult conditions currently being experienced, he adds. Profit for the year to March 31, 1975 was £348,214.

Stated earnings per 10p share for the six months decreased from 2.35p to 0.78p. As forecast the interim dividend is raised from 0.35p to 0.85p net on capital doubled by a rights issue. A Treasury permitted total of at least 1.95p (1.381p) has been foreshadowed.

Mr. Goodman says sales were affected by a lack of general demand for blend and mature whiskies, while profitability was affected by a 15-week closure of the Glen Scotia Distillery for renovation and new plant installation.

Whisky exports were maintained but contracting margins reduced profitability. But sound progress was made in bulk and cased sales to the U.S., offsetting reductions in other markets, particularly in cased malts to Italy.

Negotiations for the foreshadowed acquisition of a U.S. bottling, blending and warehousing company were temporarily suspended, but discussions are continuing.

EUROPEAN NEWS

# Turkey's student violence could bring the army in

ANKARA, Jan. 21.

STUDENT violence which has virtually halted studies at major universities in Turkey, is threatening to engulf secondary schools and there is increasing public debate about bringing in the army to stem the bloodshed.

Nineteen people have died since the university year started last November, many of them shot in hand-to-hand fighting between Left and Right wing groups armed with pistols, knives, clubs and chains.

Four of the country's biggest universities have been officially closed, others function only sporadically because of student boycotts and tens of thousands of young people are already months behind with their studies. The shutdowns appear to have merely diverted the violence to other parts of the educational system, a trend which suggests that hard core left and right wingers are intent on keeping tensions high.

Prime Minister Suleyman Demirel has accused "international Communism" of promoting the fighting. But there has been no firm indication of foreign interference either among the rightwing groups or the motley array of pro-Moscow Communists, Maoist revolutionaries and leftwing Kurds vying for the leadership of the Left.

Last week an unidentified group opened fire in broad daylight on high school pupils here, wounding four of them and a security guard. In the remote south-eastern town of Reyhanli, a political discussion at a secondary school flared into a bloody battle between opposing gangs and a teenager was shot dead.

The confrontation between left- and right-wingers entrenched in dogmatic ideologies has been made more acute by an acrimonious slanging match between their respective political leaders, for whom the campus violence has become the major domestic issue.

Mr. Demirel, leader of the conservative Justice Party and head of a four-party coalition whose members range from moderates to neo-fascists, has accused Opposition leader Bulent Ecevit of being "the provoker and protector of anarchy." In a remarkable tirade against the social democratic ex-Premier, Mr. Demirel compared Mr. Ecevit to Cuba's Fidel Castro and said he was "hatching plots and screaming with ecstasy as the seeds of discord bloom and poison spreads."

Mr. Ecevit, whose Republican People's Party—Turkey's biggest party — embraces moderate social democrats and hardline Left-wingers, has accused members of the coalition Government of "being in cahoots with political gangsters" and obstructing justice. The targets of this attack were probably the extreme right-wing National Movement Party (NMP) and the pro-Islam National Salvation Party (NSP).

Youthful NMP militants—grouped in a body known as the "Bozkurts" (grey wolves) which has been compared to Germany's war time Hitler Youth—regard themselves as the rightful custodians of law and order which, they maintain, can only be achieved by smashing Communism. The NSP, too, is deeply against the Left and there have been reports of NSP vigilantes going into battle chanting "allah, allah" in the manner of a Jihad (holy war).

Mr. Demirel and other Government leaders have said that unless the fighting stops martial law will be necessary. Mr. Ecevit is deeply opposed to this: reflecting the Left's fear of a new crackdown if the army takes over policing duties directed by the right-of-centre Government.

The army last intervened in Turkey on March 12, 1971, and in the ensuing two years of military-backed Government, left-wingers were rounded up wholesale, imprisoned and, former political prisoners allege, tortured. The present situation is by no means as tense and violent as the days before the March 12 bloodless coup which toppled Mr. Demirel, and clearly he would prefer to forestall another intervention by bringing in the army on his side, rather than against him.

The military itself is reported to be reluctant to tarnish its image, burnished by the successful Cyprus invasion, with another coup, preferring to act as a power behind the throne.

University sources said the purge of the Left after 1971 had effectively crushed organisations like the Turkish people's Liberation Army and Turkish peoples Liberation Front, whose leaders had either been executed or were serving long prison terms. Were such groups to reappear the prospects of an army intervention would increase, despite a recent assurance by Defence Minister Frit Melen that the military had no intention of becoming entangled in politics again.

Reuter

UPI adds: The arrest of two leftist village teachers led to a riot in which at least 5,000 persons used rifles, pistols and home-made bombs and turned the main square of the village of Pazarcik, S.E. Turkey into a battlefield, police said to-day. Police said one person died and scores were injured, 15 seriously, in the fighting on Tuesday.

# French Admiral 'retired' for criticism of Giscar

BY ROBERT MAUTHNER

PARIS, Ja

IN A move to clamp down on the growing tendency by senior military officers to criticise publicly the Government's policies, the French Defence Ministry to-day decided to retire prematurely Vice-Admiral Antoine Sanguinetti, brother of the former Secretary-General of the Gaullist UDR party, M. Alexandre Sanguinetti.

The Sanguinetti brothers have never minced their words and have been outspoken on several occasions in their criticisms of President Giscard d'Estaing's policies which, although officially supported by the Gaullists, are often not to the liking of the right wing of the party and some members of the military establishment.

Admiral Sanguinetti's sin is to have written several newspaper and magazine articles in which he hit out both at President Giscard's policy of detante with the Soviet Union and new statutes governing the military service of officers and NCO. In passing, he has also criticised the Government's social and economic policies.

A typical example of Admiral Sanguinetti's writings was an article in the magazine "Resistance Nouvelle" earlier this month in which he said that the worst error of all woul assign to the armed fo impossible role of acting last rampart of a liberal whose most obvious so economic problems the ties did not have the co solve.

Admiral Sanguinetti, been sanctioned for pline," also questio Giscard's desire to put a the ideological struggle the Communist countrie West, at the time of t dent's last visit to Mosc

## Czech-Iraq proto

CZECHOSLOVAK tra Iraq this year will sho siderable increase on th worth of two-day trade in 1975, according to protocol for 1976 just Prague, Paul Lendva from Vienna. Cze exports are to rise by 25 and imports by 50 Czechoslovakia will tractors, machine too building machinery an range of engineering pr exchange for food prod raw materials for chem consumer goods.

THE GREEK GOVERNMENT AND BUSINESS

# Socialism is in vogue

BY OUR ATHENS CORRESPONDENT

Professor Xenophon Zolotas

THE SEVEN years of dictatorship which ended abruptly in July, 1974, appear to have convinced politicians in Greece that socialism is the magic word which will win them the support of the people. Politicians across the entire political spectrum are using, or abusing, the word—starting with the Communists and the Panhellenic Socialist Movement, which would nationalise industry in the unlikely event of its coming to power, and the Centre Union New Force which claims to be the real socialist party in Greece, and ending with the ruling New Democracy party which sees its Right-wing structure and background as a liability in present circumstances.

The Government's efforts to move closer to the centre have resulted in several decisions, some of which may have been taken in haste and are calculated to upset business opinion. These include in particular the fanfare made over the decision to revise 15 major investment contracts signed during the junta days, and a special contribution imposed on large enterprises to help balance the 1976 budget (a record £2.44bn. in expenditure, 24 per cent. of it on defence).

The decision to place under administration by government commissioners three banks belonging to Mr. Stratis Andreadis, on the strength of allegations that currency violations had been committed, is not strictly comparable. But it has been received with apprehension in some quarters.

It is agreed that there was a need to revise some of the investment contracts signed by the junta: some contained clauses which went beyond accepted business practice. It is the manner in which the Government has chosen to go about it that has been criticised. The Government obviously felt a need to show that it is not afraid to challenge big capital and it has made a lot of noise about the matter. It also took powers which in essence allows it to revise these contracts unilaterally should the company concerned refuse to co-operate. Some of those affected have accepted a revision of their contracts; others have indicated they intend to seek international arbitration.

The fact remains that the Government action may cause foreign investors to adopt a wait-and-see attitude before committing themselves to large investments in Greece. From November 1974, when the Government of Mr. Constantine Karamanlis assumed power, to the end of November 1975, approvals of foreign investments totalled $235m., $146.7m. of it for four cement plants. A $555.8m. investment package deal signed between the state and a shipowner, Mr. Aristomenis Karageorgis last November, includes a $135m. shipyard (at a time of recession in shipbuilding in general) and yet another cement plant with an investment value of $83m.

The Andreadis affair has also had its percussions—the appointment of the commissioners was first taken to mean nationalisation and then state-control over the Andreadis banks, which are part of the country's largest business empire.

A public prosecutor is investigating to ascertain whether the violations allegedly committed in the Andreadis banks justify legal action. Prof. Andreadis has firmly denied that anything unlawful occurred. The investigation concerns suspicions (arising from a routine check by the Bank of Greece) that the Andreadis banks between 1971 and 1973 made loans and credits to Andreadis group companies in excess of legal lending limits, and that blocks of shares in these and other Andreadis group banks and enterprises were transferred abroad, during the same period, at no more than face value to financial institutions linked to the group and to wholly-owned Andreadis shipping companies registered in Panama. These transactions are believed to have resulted in the transfer abroad of assets with a value of £17m. Professor Andreadis has since returned most of these shares to Greece.

The special contribution (in essence a tax) imposed for 1976 only on company indebtedness or profits is expected to yield about £143m. to the state. To assess each company's liability, the average outstanding monthly balance on its loans and credits from Greek banks and other credit institutions between November, 1974, and October, 1975, will be taken as a basis.

Credits granted by discounting trade bills are excluded, as are those by shipping documents, foreign credits, credits with agricultural produce as colateral, to public works builders, or loans of any kind in foreign exchange or carrying a foreign exchange clause.

Outstanding balances on loans and credits for companies' fixed installations are multiplied by a coefficient of 1.5 plus a coefficient of one for other loans or credits of any kind or duration. A tax free allowance of drachmas 5m. (£71,430) is deducted. The balance is taxed at 10 per cent. Exemption is granted to the state, public corporations such as utilities, banks, social insurance funds, benevolent societies, and agricultural co-operatives.

Alternatively, companies will be taxed on net capital profit exceeding drachmas 2m. earned in the financial year 1975 before any deduction for tax-free reserve or profit distribution. The tax coefficient is 30 per cent. This special contribution will be levied on companies which either are not subject to the contribution based on loans and credits, or when this contribution on credits is lower than the contribution on income, only the higher contribution is to be paid. Exempted are public corporations, as well as state banks.

Businessmen are complaining about the special contribution and are sceptical about Government handling of economic matters in general—they smell a pinch of dirigisme inspired by political expediency. Professor Xenophon Zolotas, Governor of the Bank of Greece, has tried to set industrialists' minds at ease recently by stating that nationalisation could not be a solution to Greek economic problems, particularly in sectors that could be developed more efficiently by private enterprise.

He assured an assembly of industrialists that a recently formed consortium of State-owned banks would not compete with private enterprise but would set up industries in sectors not developed by private enterprise. The shares of industries created by the consortium could ultimately revert to private hands through the stock exchange.

Professor Zolotas also tried to reassure foreign investors who have been puzzled by recent government policy and the verbal attacks of the Communists who have gone as far as to claim that multinational companies making the move from strife-torn Beirut to Athens were hand-in-glove with the CIA. Denying that the country has been swamped by foreign business capital, Professor Zolotas said that foreign capital so far invested in Greece did not exceed $800m., which is only 2.8 per cent. of total fixed capital investments made in the past 20 years.

Professor Zolotas said that Greeks must rid themselves of their phobia against foreign capital, and that it must not lead them to turn down technology and organisational techniques which would help Greece become a full member of the EEC.

# W .German car sales rise by 24.4% in year

BY NICHOLAS COLCHESTER

BONN,

DESPITE a reduction in car sales in the past months of 1975, the total number of new car registrations in West Germany last year was 24.4 per cent. above the level of the previous year and almost back up to the record figure for 1972. A total of 2.106m. new cars and estate cars came onto German roads.

The total number of all road vehicles registered last year was 2.332m. compared with 1.888m. in 1974. The biggest growth rates were shown by motor cars and by motor cycles where the number registered rose by 30.5 per cent. to 43,275. There was virtually no expansion in the lorry market—reflecting the slack state of capital investment in German industry—where 90,605 were registered.

In December 1975 108,000 new vehicles were registere 88,284 were cars and e These figures compa 130,191 and 109,52 November.

## Danish pro margins ea

By Hilary Barnes

COPENHAGEN,

A FREEZE on gr margins will be ea March 1, according to a agreement reached her tion last year froze m unit of sales at the leve 12, allowing only a res of cost items to be i calculations for the price setting.



COMPANY NEWS

# Arthur Lee prepared for upturn

Until the present rate of inflation is brought under greater control, it is impossible to view the future with optimism, says Sir G. Wilton Lee, chairman of Arthur Lee and Sons. He finds it more difficult than in any previous year to predict prospects.

However, he reports that on the evidence of first-quarter trading demand for strip products has "bottomed out" and there are tentative signs of an uplift. But demand for wire operations remains weak.

The market for bars has now steadied at a much lower level than was achieved at the beginning of the year, and there are even hopes of an uplift as customers bring their stocks into line with consumption.

As far as stockholders are concerned, profitable trading continues. It is only in the rope division that the order book enables the directors to view prospects favourably.

Sir Wilton emphasises that benefits of heavy capital expenditure over the past few years have, in great measure, yet to be felt.

The thin strip development, for example, undertaken at a capital cost of approximately £1.5m. is only just beginning to come on stream—while the costs of financing the schemes have already affected results.

This expenditure, however, has placed the company in a position where it will be able to seize its opportunities both at home and abroad when demand is restored and the chairman looks for a "significant contribution to our overall profitability at such time."

As reported on December 13 group pre-tax profit decreased from a record £3.65m. to £1.30m. in the year to September 30, 1975, and the dividend is cut from 1.384p to 1.15p net. Turnover (£42.24m. against £43.03m.) remained virtually steady in monetary terms but this masked a substantial reduction, which was felt initially in strip products, gathered pace throughout the year in virtually all of the range with a consequent adverse effect on profitability.

As known Sir Wilton intends to retire at the AGM. He has accepted the position of president and will remain a director. He will be succeeded as chairman by Mr. H. P. Forder, the present deputy chairman.

Meeting, Sheffield, February 13 at 12.30 p.m.

## Sena Sugar loss

BECAUSE of a low outturn of sugar and the high cost of production, Lena Sugar Estates will show a loss, after depreciation, for the year 1975, the interim report states.

Crushing of the 1975 crop on the estates in Mocambique terminated on December 21, 1975, with total production of 99,102 tons sugar (106,043). The amount of refined sugars sold in Lisbon by the subsidiary Sidul during 1975 was 78,131 tons (72,010).

Reasons given for the low tonnage produced are the "very poor" productivity of the labour, and lack of spare parts and technicians for efficient maintenance of the factories and agricultural machinery.

Lack of profitability, together with the "enormous" increase required in working capital due to high wages, has resulted in a rapid deterioration of the cash position in Mocambique. In addition remittances from Mocambique are on a "very restricted" basis, it is pointed out.

For these reasons the Board is unable to declare an interim Ordinary dividend and cannot recommend a payment in respect of the arears of Preference dividend.

## Downturn at Mears—pays more

CIVIL ENGINEERS, building and dredging contractors, Mears Bros. Holdings, reports pre-tax profits down from £370,000 to £306,000 for the year to September 30, 1975.

At halfway there was a loss of £310,000 (profit £172,000) after provisions of £314,000 made in connection with the closure of a specialist building department.

Turnover for the year rose from £30.65m. to £41.94m. After tax of £188,000 against £212,000 earnings are shown to be down from 3.26p to 1.69p per 25p share.

Following a forecast of a same-again 0.85p, the final dividend is lifted to 0.95p for a total of 1.62p compared with 1.52p.

There was an additional surplus on the sale of MB Dredging of £442,000.

## Peterborough Motors profit expansion

Ford main dealers, etc., Peterborough Motors has increased its profit from £161,025 to £214,848 in the six months ended September 30, 1975. Turnover rose some £0.5m. to £4.81m.

The interim dividend is stepped up from 0.73p to 0.8p net per 20p share, the maximum permitted, and the directors hope the final will show a similar increase. In the year ended March 31, 1975, the total was 1.83p from profits of £440,000.

After tax £111,600 (£86,525), the half year's net profit came out at £103,248 (£74,500).

## Throgmorton Trust bonus

Revenue of Throgmorton Trust for the year to November 30, 1975, was little changed at £2,384,295 against £2,348,916 subject to tax of £823,881 compared with £793,052.

The net asset value is shown as 36.7p, compared with 32.5p per 25p share.

The final dividend is 2.375p net and there is a bonus—payable this year only—of 0.373p. This brings the year's total to 4p against 3.3625p.

## U.S. and General increase

PRE-TAX INCOME for 1975 of United States and General Trust Corporation increased from £695,507 to £761,422. The net asset value per 25p share is given as 202.5p against 103.6p.

The final dividend is 2.89p net for a total of 4.29p compared with 3.933p.

| | 1975 £ | 1974 £ |
|---|---|---|
| Franked income | 524,082 | 305,210 |
| Unfranked | 394,668 | 174,398 |
| Management | 51,674 | 26,168 |
| Deb. interest | 53,500 | 53,506 |
| Pre-tax income | 761,422 | 695,507 |
| Tax | 301,937 | 282,418 |

## Ambrose Wilson fall

First half turnover of mail order retailers, Ambrose Wilson, was little changed at £2,075,000, against £2,106,000 net of VAT, but pre-tax profit decreased from £141,000 to £121,000, after reduced finance charges of £59,000, compared with £70,000. Profit for the year to March 1, 1975, was £420,869.

Tax for the six months takes £60,000 (£56,000), leaving £61,000 against £85,000.

As before there is no interim dividend. The company is a subsidiary of N. Brown Investments.

## Ecclesiastical pension plan

A new personal pension policy has been launched by Ecclesiastical Insurance to provide retirement benefits for the self-employed.

The contract is on a "with profit" basis and the payment of a single premium sets up the policy and future premiums may be paid at the discretion of the policyholder—as regards both timing and amount. The minimum payment is £100.

Ecclesiastic is a non-commission paying office and the investment of all the premium paid will attract full tax relief.

## TRIDENT MOVE

Trident General Insurance has announced that it is moving its administration from London to Gloucester. This follows the move of Trident Life's head office to Gloucester in 1974.

FIFTH TEST BY TONY CO

# W. Indies already in trouble

ADELAIDE,

THE WEST Indies, already 3-1 down after a sequence of disappointing performances, start the fifth of their six Tests against Australia here on Friday with only their diminishing reputation and a share in the series to play for.

Australia have already ensured that they retain the Sir Frank Worrell Trophy, contested for between the two teams since the memorable 1960-61 series here, and the West Indies need to win both the last two Tests to regain their standing in the cricket world, a task which has been made even more difficult by the fact that their talented all-rounder, Julien, is unable to play.

### New problem

Julien is a key member of the team and it had been hoped that his right thumb, broken during the fourth Test by a ball from fast bowler Jeff Thomson, would have mended in time for Friday. But the original fracture was aggravated by his courageous batting and fielding at Sydney, and the doctor has advised him not to play for two weeks.

Julien's left-arm, medium-fast bowling has been especially valuable to the West Indies. It has lent variety to an attack dominated by the speed of Roberts and Holding and his 11 wickets in three Tests make him the West Indies' second highest wicket-taker In addition, he is a potentially dangerous batsman low in the order and an outstanding fie forced withdrawal ha weakened the team balance but has left th with the problem of ment.

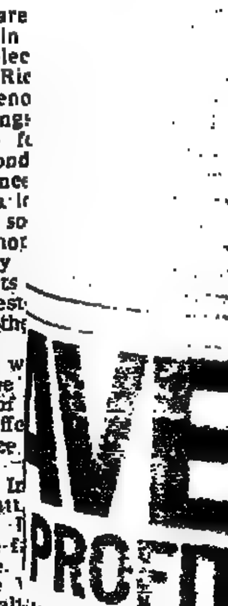
Neither the n Holder nor the left spinner, Inshan Ali, form to recommend t is probable that an batsman; Greenidge c will be chosen.

While both are neither will go in Fredericks if selec position will got Ri has scored a pheno runs in four innings matches since the f Richards is in wood and full of confidence and Thomson are a moved from the so cricketers off who scored so liberally cricketing outposts Hobart and Lancest

In addition to the Julien's absence, Indies are troubled w ing doubt over the of the spearhead of ing. Roberts, suffe ankle soreness since Test. Confronted worries, the West I appear to have litt pulling one back. the Australians are f lems of any nature.

For all that, the possess such a wealt and such a contrary this could just be th which they find their





# FINANCIAL TIMES SURVEY

Thursday January 22 1976

# SAVE IT ENERGY CONSERVATION

The tactics of the Department of Energy have come in for criticism from a Parliamentary Select Committee for being "feeble". How justified is this judgment? To what degree can real savings in energy be made on a national scale?

## Few easy answers in the short term

By David Fishlock, Science Editor

)R A year, since the Depart- ent of Energy published its -point policy for energy con- rvation in December 1974, the overnment has been wrestling ith the problem of selling mething that does not exist. ıst September its efforts were iticised as "feeble" by the ırliamentary Select Com- ittee on Science and Tech- ılogy, which had been rash ıough to pass judgment with- t interviewing either the inister or the top official sponsible for energy conserva- ın. When, last month, Mr. ıthony Wedgwood Benn, ecretary for Energy, finally peared before the MPs, he ıs able to assert confidently at the 18-nation International ıergy Agency had described e U.K.'s energy conservation licy as one of the most ıaginative.

### Minister

In one respect only were the recommendations of the lect Committee's report ıaginative, and that was in oposing that the Government ould take energy conservation ay from the Department of ıergy—set up only two years o to specialise in the nation's ergy problems—and hand it er to a "task force" of ılitícians and top officials and porting directly to the Prime inister. The proposal itself as naive but it does appear to ave had one desirable effect. A inister has now been given ecific responsibility for energy ınservation.

But Mr. Wedgwood Benn lvised MPs that the idea that ıu could take energy policy t of national policy, as they emed to be recommending, d develop it in isolation was ıne of the great illusions." He ıured them that he saw ergy conservation as a sub- t of major importance. "But ask the whole nation to alter energy practice is going to e some considerable time." the other hand, his own de- tment controlled no big use energy. If he were to set ional targets for savings to achieved, as the MPs dearly hed him to do, and if the ıon were to make a swift re- ery from the recession and eed those targets because of anding industrial output, he then to go to the Chan- or and tell him the nation recovering too fast?

he minister now responsible energy conservation is Lord ell-Davis, formerly an adver- ng executive, who as an iser to the Energy Depart- ıt has been involved in the r-long "Save It" campaign n its inception. He shares the view of his Secretary of State —but contested by the Select Committee—that there are no easy answers to energy conservation. There are no big energy leaks crying out to be plugged and no important new ways of plugging leaks that have been neglected. But there is still a great deal of spade work to be done in arousing and sustaining enthusiasm for energy conservation and enlightened energy usage for at least a decade to come.

There is no doubt that the Government is having some difficulty in composing the formal reply it is required to make to the Select Committee's report. This is partly because the subject and the 42 recommendations cut across so many inter-departmental boundaries. Usually the Energy Department would expect to do no more than act as a catalyst for change in activities that were clearly another department's responsibility—for example, industrial energy usage, accounting for 44 per cent. of the U.K. energy consumption. An important part of the minister's job lies in liaising with those Government departments which have responsibility for the energy-hungry sectors of the economy, notably Industry, Environment and Defence. He pays handsome tribute to the "incredible record" of the Property Services Agency which in the first year of a five-year energy saving programme designed to save 20 per cent. overall on fuel requirements for public buildings, saved £8.5m. in fuel on a bill of less than £100m.

*Lord Lovell-Davis, Minister for Energy Conservation*

The Department of Energy is now in the fourth phase of its "Save It" Press and TV publicity campaign, the achievements of which are appraised in this survey. After the launch last winter, phase 2 in the early summer concentrated mainly upon domestic insulation, in the hope that householders would prepare themselves in good time for the winter. Phase 3, in the autumn, was mainly a reminder. Phase 4, which began late last year, concentrates on the industrial user, the housewife and central heating.

No fifth phase is planned beyond March — in fact there is genuine difficulty in isolating fresh targets for this kind of publicity. But there is general agreement inside the department that the campaign must be sustained. Lord Lovell-Davis, for example, is eager to obtain and publicise energy audits and give case-histories of the experiences of the smaller manufacturing companies, showing where and how they have axed their energy consumption. It could mean the sort of free publicity for a back-street Birmingham electroplater that has been enjoyed lately by such organisations as Baker Perkins and Marks and Spencer. A successful penetration of this sector of the economy would be the biggest single source of energy saving available to the nation.

### Intervention

Meanwhile, the Government's basic energy conservation policy, as outlined in the 1974 12-point plan, is unlikely to change this year. All 12 points have now been implemented, at least in part. The Select Committee has not challenged this policy but only the way it was being implemented. Ironically, the MPs demanded a much higher degree of government intervention than the Government seems to be prepared to consider, in an area where its senior advisers are convinced that people must be left to make up their own minds what to do and how to do it.

The view of its advisers is that the Government can advise and cajole, and above all can back up its advice with a pricing policy that reflects the true economic cost of the various fuels. Despite the brutal price rises of the past year, pricing policy for the public sector is still not precisely matched to production costs. Electricity is within striking distance of breaking even but only on the basis of historic and not inflation accounting. Gas has got to take account of the higher production costs of the new North Sea fields, Brent and Frigg, where the price to British Gas will be more than twice as great as the initial supplies. Coal price is at the break-even point but production costs could well be adversely affected this year by the downturn in demand from its two dominant customers, electricity and steel.

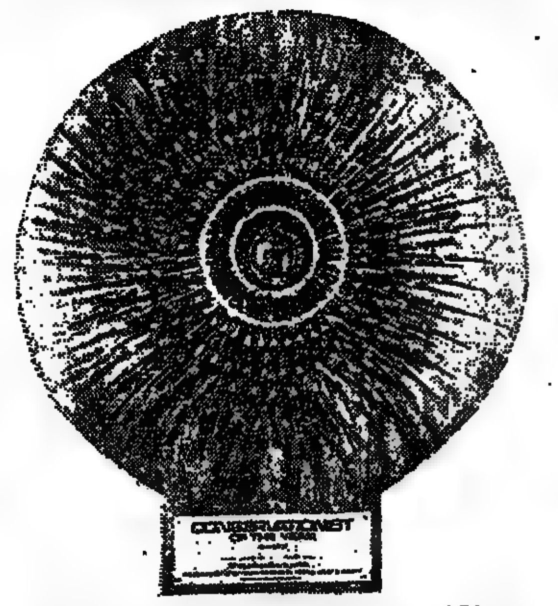
At the end of the day, however, what determines the cost of all other energy supplies is the Middle East oil price, which is likely to rise again at the first real signs of an upturn in the economies of Western nations. It is this threat, above all, that brings a note of genuine urgency to exhortations to "save it."

Where there remains much scope for Government action and ingenuity is in the increasing sophistication of the advice it could give. This year, the second of its "Save It" campaign, it will begin to reap the benefit of two powerful advisory bodies—its own Energy Technology Support Unit (ETSU) at Harwell and the Advisory Council on Energy Conservation under Sir William Hawthorne. Two important scientific reports scheduled to be published by the Energy Department this spring should clear away much of the mythology surrounding combined heat and electricity schemes, and should begin to lay the foundations of a national energy research strategy. In the case of combined heat and electricity, just getting involved parties to talk rationally about possible schemes has been a protracted and frustrating experience for the department's top officials.

Neither of these reports can make the slightest impact in the short term and probably not before energy costs take another leap upwards. As Sir William Hawthorne himself put it in a paper to the Institution of Mechanical Engineers in London last month: "It is evidently not sufficiently realised that the pricing of a fuel below its thermal parity with the comparable fraction of oil, which is the dominant fuel offering the widest range of substitutions with other fuels, leads to waste of the underpriced fuel, hence to a general waste of energy, a higher demand for all fuels and a pressure on world prices."

Moreover, the idea, assiduously fostered in some quarters, that all our worries would be over if we would just concentrate on the thermodynamic inefficiencies of the electricity industry, or on harnessing some natural energy sources such as sunbeams or "hot rocks," is a delusion that deflects effort from the real target, namely that everyone must learn to use energy much more intelligently. Like road safety and hygiene, it is a message that everyone must learn in school, in the hope that it will stay with him for life.

So far Mr. Wedgwood Benn has shown no personal enthusiasm for bringing his own political flair to bear on energy conservation, in the way that he promoted machine tools and tribology a few years ago. As the junior minister to whom he has just delegated the job is about to discover, it is not one at which easy votes are likely to be won.





# The 'Save It' campaign

THE DEPARTMENT of Energy has so far spent £5.1m. on its "Save It" campaign, making it the biggest concentrated advertising campaign ever undertaken by the Government. Research into the response to the slogan would suggest it has been effective: a survey of householders found that 71 per cent. were doing something to save energy.

Cynics might argue that the State-sponsored campaign has done much to boost business in the insulation industry. The Select Committee on Science and Technology has been plainly critical: "The Government's publicity campaign so far has seemed to us to be feeble in contrast to the need for strong action."

The committee agreed, however, that the Government should pursue a continuing campaign "by exhortation and the provision of information and advice" to raise the energy consciousness of the public and to emphasise both the private and national benefits of energy saving.

Any assessment of the merits of the campaign must be subjective. Personally I was impressed by the television advertisement showing a super-tanker of oil and its impact on the country's economy. The comments of children in another phase of the programme left little impression while I considered the press advertisement showing floodlit Trafalgar Square under a headline "What a nerve, telling me to save it" to be a brave and informative answer to critics. Others will have their own views.

So far, the campaign has been run in three financial phases: the launch last January costing £1.5m.; a new theme between April and September costing £1.8m.; and the present promotion which runs to the end of March costing £1.84m. This shows, if nothing else, that the Treasury is keeping a tight rein on the project although one wonders if it is successful and needs to be long-term whether the reins ought to be slackened slightly to give greater continuity.

Unfortunately, assessing the success of the "Save It" campaign is a hazardous business. Latest energy statistics published on December 30 showed that U.K. consumption in October was 11.5 per cent. down on the same month in 1974. *Whether this fall can be* ascribed to the economic recession, higher fuel prices, the weather (two mild winters and a blazing hot summer) or greater public awareness to energy conservation is a moot point. In truth, all four have been responsible although it is difficult to ascribe percentages to each.

This was a point made earlier this month by Mr. Lawrence Robson, a member of the Electricity Council, who reckoned that conservation had played an important part in the 11 per cent. drop in electricity consumption. There were signs, he said, that efficiency in the use of electricity would increase with the result that when the economic growth returned, the rise in demand would be at a lower level than in the past.

Early in the life of the campaign it was reckoned in Whitehall that "Save It" had trimmed 2 per cent. off of U.K. energy consumption. Even if the saving was only 1 per cent. then the potential benefit to the National Exchequer is of the order of £95m., assuming that savings are on imported fuel.

The campaign has run through several phases: *from why it was* necessary in the country's interest to be conservation-conscious — difficult at a time when there were no outward signs of a real crisis about—to how individuals could effect such savings. To some extent, the Department was involved in a re-education campaign for it had to shrug off the impact of an earlier "switch off something" Government plea.

## Worthwhile

Although switching off an appliance or light might be worthwhile, there are more fundamental ways of conserving energy. After all, domestic energy consumption breaks down thus: heating 64 per cent.; hot water 22 per cent.; cooking 10 per cent.; lights and appliances 4 per cent.

Home insulation has received a good deal of attention simply because it protects about two-thirds of the normal household's domestic energy consumption. Here there is direct evidence that there has been a notable response to the "Save It" appeal.

For instance, the appeal to lag *hot water tanks (slogan: spend* £5 and save up to £50 a year) has resulted in a four-fold increase in the do-it-yourself tank jacket market, according to *the Insulated Jacket Manufac*turers Federation.

The Federation, which has an annual turnover for cylinder jackets of some £2.5m., estimates that the overall sales of jackets rose from 1.5m. units *in 1974 to 2.25m. last year. This* increase, made in spite of the recession in the new building market, stretched the capacity of manufacturers but the Federation says they are now able to meet demand.

Similarly, *a leading manufac*turer of loft insulation material estimates that in the past two years the number of sales of materials to individual houses has risen by 92 per cent. (42 per cent. in 1973-74, and 35 per cent. *in 1974-75). The Govern*ment drive to encourage adequate insulation also meant that during the course of last year the amount of business involved in the change from 2 inches to 3 inches of loft insulation rose from 41.7 per cent. to 83 per cent.

Although only 15 per cent. of heat is lost through windows and doors there has been a considerable increase in sales of double glazing and draught excluders. Indeed, of all the industries which have benefited from the Government's "Save It" promotion, only the [illegible] glazing industry has really [illegible] in for heavy advertising [illegible] *own account. It is estimate*[illegible] the number of households with double glazing in th[illegible] nine months, of last yea[illegible] some 27 per cent. up [illegible] corresponding period of [illegible]

The Department of En[illegible] *continuing to press hom*[illegible] need for domestic [illegible] saving. It has, for in[illegible] largely veered away [illegible] exhorting motorists [illegible] making unnecessary trips. [illegible] pricing mechanism has [illegible] done that job for it; ind[illegible] companies claim that [illegible] ment policy of 12 to 18 [illegible] ago loaded too much [illegible] crude oil price increase[illegible] the motorists; a situatio[illegible] have attempted to p[illegible] rectify in this latest ro[illegible] price rises.

The latest campaign is [illegible] at trying to influence the [illegible] wife to supervise the d[illegible] energy measures; in esse[illegible] keep her nagging about th[illegible] for conservation. "If the m[illegible] gets through we wo[illegible] popular with a lot of hus[illegible]" commented Mr. [illegible] Ingham, the Depar[illegible] director of information. [illegible] this campaign does highli[illegible] important role the wi[illegible] play."

Ray [illegible]

# Motorists bow to rising prices

THE PUBLIC'S response to the rising cost of fuel has been plain for all to see in the tales of gloom that have issued from the motor industry over the last two years. The remorseless upward climb in car sales has been checked; production has been chopped back by as much as 20 to 30 per cent.; and there has been a sharp switch of interest from sporting high-performance vehicles to smaller cars with more modest, utilitarian characteristics.

It would be dangerous to interpret these developments as indicating the first steps in a retreat from mass car ownership. All the signs are that motorists will hang on to their vehicles — perhaps replacing them less frequently—at the expense of other luxuries, because they depend on cars so much. Indeed the number of cars on the road in Britain rose slightly last year.

On the other hand, despite the rise in vehicle population, there was a saving in petrol of roughly 2 per cent. in the U.K. last year compared with 1974. It is clear that the main response of private motorists to higher fuel prices is to travel rather fewer miles, and following on 1974, which also saw a reduction in petrol consumption, the decline in travelling and fuel needs has been quite substantial.

Many motorists have also been converting to motorcycles and scooters for some of their journeys—using two-wheel vehicles for commuting, for example. Last year turned out to be a 16-year record for motorcycle sales, with a 42 per cent. increase on 1974, and the industry expects equally good results in 1976. Inevitably, if this rate of motorcycle buying goes on, it will have a considerable impact on fuel usage, since some small mopeds are capable of 150 miles to the gallon, and few drop below 50 mpg.

Equally, the use of energy is determined by the kind of vehicles motorists show they want and which the industry supplies. Although Continental countries saw a recovery of big car sales last year, there is no doubt that the overall trend of the market is towards more modest vehicles, even in the U.S., which progressed from smaller four-cylinder engines to six-cylinders and above in the 1930s. Several schemes are now underway to develop four-cylinder engines in the U.S., and at the same time weight is being shed from American cars to improve fuel consumption. Australia also has a Govern*ment-backed investment project* for a new four-cylinder engine plant.

Similar emphasis is now being placed on engine performance in both the European and the Japanese car industries. Europe, because of its dependence on imported oil has, of course, always been less cavalier about its use of fuel than the U.S.. But in the late 1960s car manufacturers took increasing advantage of growing affluence to concentrate their marketing on features such as quick acceleration and high speed. Even a company like Ford, founded on proletarian virtues, drifted away from its economy image and took to rallying and racing circuits in an attempt to foster a high performance image.

## Reverse

These trends have been put into sharp reverse. Fords of Europe, for example, has decided to invest heavily in a new small car, the Fiesta, which will be its first completely new model since the Capri. Production will be about 500,000 a year, a 50 per cent. increase on Ford's present capacity in Europe, indicating the weight which the group now attaches to this sector of the market; and in Britain the development of the Dagenham plant to take the Fiesta production lines will be accompanied by the loss of big car production to Germany.

The new Vauxhall Chevette, launched in 1975, provides yet another example of a company that had drifted towards larger cars switching into reverse.

Alongside new model development, manufacturers have been developing more economical engines. Even with existing units, much can be done with carburation devices to improve consumption figures — though often at the expense of performance — and throughout *1975 a sprinkling of "economy"* vehicles came on to the market from various manufacturers.

At the same time, new engine development has been concentrated on lower consumption and the use of the cheaper, low octane fuel. Most of the small new models that have been launched recently can use low-grade petrol, and virtually all show some improvement on petrol consumption compared with their antecedents.

Perhaps the most promising development in engine technology is going on with the so-called stratified charge engine,

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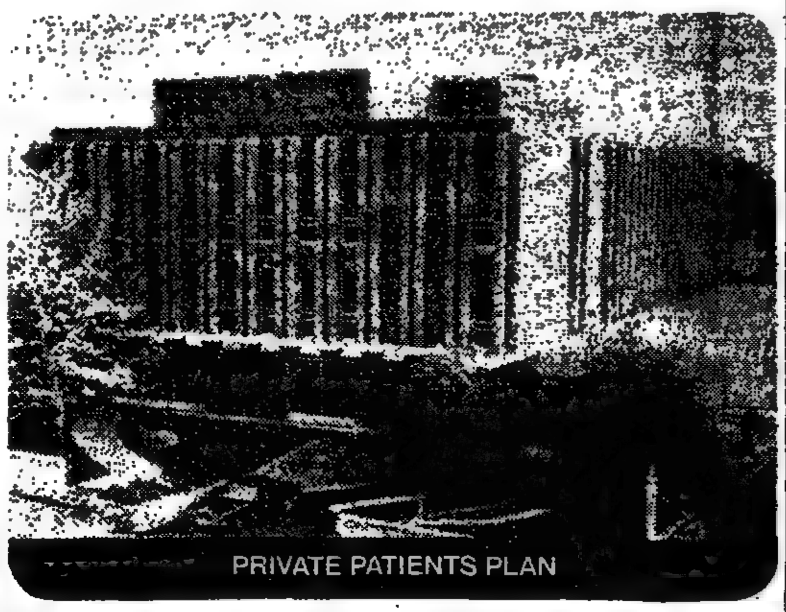
LONDON WEEKEND TELEVISION



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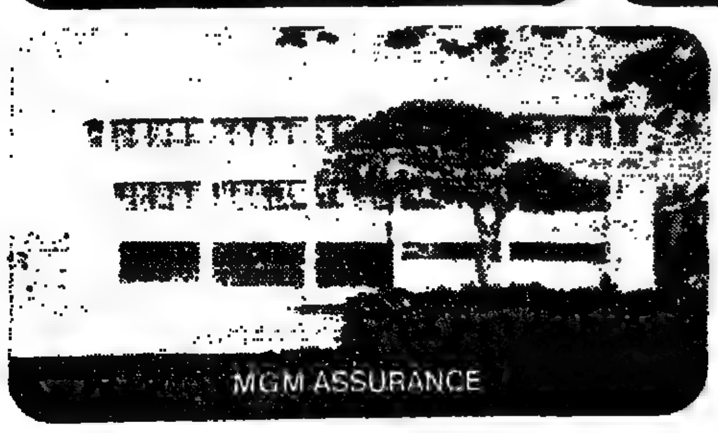

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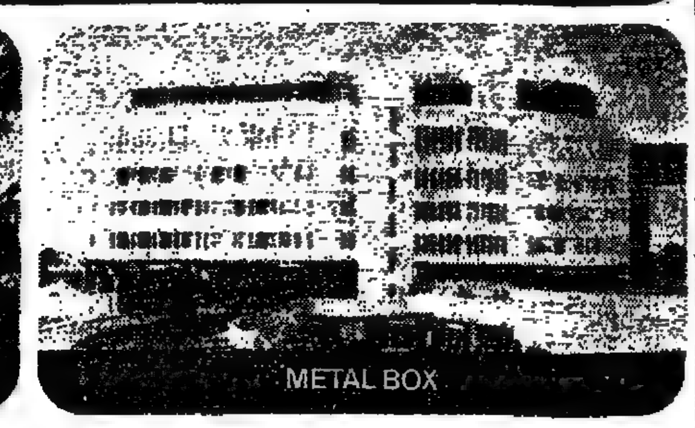

METAL BOX

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# Industry the major user

0 YEARS ago, at the height he 1973-74 energy crisis in country, the then Energy retary, Lord Carrington, pre-ed great changes in the in-trial use of fuels and great and for energy saving ipment if all developed as eemed likely. The predic-, or perhaps "hope," was istic enough at that time of ld oil crisis.

wo years later, the import-e of the subject remains as it as ever. Since the oil e rise, the price of other s such as gas, coal and tricity—partly restrained by ious price control policies as moved upward towards level of oil. Although ld oil prices have not kept with inflationary trends, the sion of OPEC to raise crude prices by between 8-9 per in October still displays power that the producers hold over supply and price. And it is this power that could still threaten any sustained boom in world trade once the revival occurs. Britain may be in rather a better position than most of its industrial competitors in terms of its indigenous energy supplies of coal, gas and North Sea oil, but these are finite, too, and conservation is just as important a question for the producer as the consumer.

It is still to industry, too, that the country must look if there is to be any major reduction in usage. According to the latest figures, the industrial sector of the country uses about 44 per cent. of the total primary energy in Britain, with the iron and steel, non-ferrous metal, chemicals, cement and packaging industries accounting for some 60 per cent. of this. If there was only a 10 per cent. saving by industry in fuel use—a figure that looks relatively easily obtainable on the experience of companies which have taken immediate action to exercise control on existing patterns of use even without investing in substantial new equipment — then more than 2bn. therms of heat and some £400m. of expenditure might be saved.

## Housekeeping

And yet the dramatic savings and change in attitude to energy use that had once been expected from this sector do not appear to have occurred. There have been some important examples of companies which have taken the bit between the teeth and achieved notable savings within a relatively short time, most obviously among the larger companies like Marks and Spencer, Perkins Engines and some of the oil companies such as Shell and BP. And early evidence suggested that there was a more widespread development in the direction of at least good housekeeping practices if not actual expenditure on new equipment.

All the fuel industries have made moves to emphasise conservation in use both within their own organisations and in advice to their customers. And the Gas Corporation has gone a great deal further in setting up a school of fuel management which gives short courses in conservation to senior managers and more specialist courses for fuel managers and energy conservation officers. Added to this has been the Government's own extensive effort to publicise and constantly impress the need for energy saving in all sectors.

But, while the statistics are very hard to interpret, the general impression after two years of effort is that energy saving has still to percolate through the broad mass of manufacturing industry, particularly the medium and smaller sized companies. In the first year, the Department of Energy did make some brave and perhaps over-optimistic noises about the extent to which the fall in energy use in the country could be attributable to conservation. But experience has taught it that no such easy assumptions can be made. What it is becoming increasingly aware of is that the demand for better and less wasteful equipment and the response to its energy saving loan scheme has so far been generally disappointing (see below left).

Part of the reason, of course, is the current economic downturn, which has squeezed company profits, reduced their ability and willingness to finance capital expenditure and greatly distorted the ability of companies to produce more efficiently and therefore less wastefully at a time when plants are working well below capacity. Another reason is simply that other costs have risen to the levels of energy prices. Capital costs and wage costs in particular have rocketed in this country over the last two years. And these costs are far more important to industry than energy, which on average accounts for only some 10 per cent. or less of total manufacturing costs.

## Knowledge

It is this problem posed by the fact that energy still accounts for such a low proportion of total manufacturing costs which still presents the greatest difficulties to any all-out effort on energy conservation in the country, coupled with the relatively poor state of knowledge that exists on how energy is used and how it can best be saved over the long-term. For industries such as steel manufacture and glass, energy has always been a priority question and the rise in price has led to a quick response in hard economic calculation. For other companies, however, the price pressure and the marginal questions of Government interest relief are not enough to swing the balance. The issue remains one of education, exhortation and knowledge.

Following these lines, the Government last year approached the issue of bringing the broad question down to the nitty gritty level of practical push in two directions. One was the establishment of the inter-departmental Industry Energy Thrift Scheme. Controlled by a steering Committee representing the Department of Energy, the TUC, the CBI, fuel consultants and the regional offices of the Industry Departments, this essentially deals with the "good housekeeping problems" of conservation, making one-day visits to a variety of chosen companies both to gather experience of the grass-roots problems at plant level in various industries and to offer guidance on immediate measures that can be taken. A three-year programme, the plan is to visit several thousand companies in this way.

The other scheme, the Energy Audit Scheme, is a longer-term project aimed at examining the ways in which energy is actually used both in industry and in the materials used by industry and recommending ways in which a more fundamental reduction in energy use can be achieved. Using Research Associations of various industries, who either pay visits themselves or sub-contract to consultants, the aim is to gain information which can then be passed on to the Requirements Boards or other organisations. The scheme is intended to last 12-18 months and the visits take one or two weeks.

**Adrian Hamilton**

# Motorists

CONTINUED FROM PREVIOUS PAGE

designed to present a rich mixture to the sparking plug for original combustion, combined with a weaker mixture in the combustion chamber. The theoretical advantages combine more complete combustion—and therefore less gaseous exhaust emissions—with much improved fuel usage.

The other alternative power unit which has already reached a high degree of development is the diesel engine. Over the years the diesel has been neglected by the car industry because of its poor performance characteristics compared with petrol engines (diesel engines need to be larger to deliver similar power), its weight, and its noisiness. The diesel requires about 30 per cent. less fuel, however, to propel a vehicle over a given range than a petrol engine, an ability which explains the support it receives in official quarters.

The car industry is also taking a renewed look at diesel units, which up to now have been limited in application and confined to larger vehicles. Both Mercedes and Peugeot last year expanded the production and sale of their diesel models, and Opel is now marketing a diesel version of its new Rekord model. But these engines are all larger than two litres, and wider acceptance will depend on the success manufacturers have in their current development work on smaller diesel engines.

At the same time, big commercial vehicle operators can be expected to help save fuel in the future by shifting more of their loads onto larger lorries. This has been a continuing trend since the war, although sales of the really heavy trucks have been hit by the recession. The beginnings of a business recovery in Germany, and the hopes that there will be legislation allowing heavier vehicles onto the British roads, foster expectations that there will be more fuel savings available in this direction.

**Terry Dodsworth**

# Financial benefits

H ENERGY typically representing 5 to 10 per cent. of company's costs, it is little der that major undertakings e been scrutinising their t, light and power requirements over the past year or so. nyone walking round a or processing plant — a mical complex or oil refinery, instance—will not fail to ce steam belching out herous nooks and crannies. ould be easy to dismiss this t loss as an expensive drain energy although plant operators would be quick to point out some of this escaping steam eliberate venting.

evertheless, process indus-s, in particular, have been dying in detail their energy age: the American Dow mical group was at the fore-nt of an energy saving cam-gn. But the issues are far re complex than they might appear: for instance will it e more energy to manufac-e a part to eliminate or rt steam than the actual ing? Energy conservation is oming an increasingly histicated art.

nd yet companies are ady making big savings by loying commonsense sures. ICI's petrochemicals sion expects a 10 per cent. ction in energy usage over next two years and intends ouble its output over the er term with only a 50 per rise in energy consump-Albright and Wilson, an-r chemical group, has set a t of an 8 per cent. saving energy costs this year—valent of around £1m. In r to meet this aim it has inted a group energy con-tion co-ordinator as well as ional and site co-ordinators. itish Petroleum reckons it sonable to aim for a 10 per reduction in the group's bill—worth no less than a year.

ese companies—and there many more examples—are ing the cost of these nes out of their own els as part of good house-ng. And yet there are s other firms, perhaps g cash-flow problems in times of economic reces-which need to implement y saving schemes just as

## oan scheme

at is why the Department nergy introduced a loan ne for industry; financial ance covering capital ex-iture incurred on energy g equipment. So far, it rs, the scheme has been a r, to be more kind, at least been extremely slow in ng off the ground.

date six schemes requir-ess than £250,000 of the year's allocation of £3m. been offered. The offers from £10,000 to £100,000. of these offers, involving 00, have now, been taken the applicants.

ere may be a number of ns for this lack of success. start, companies may have finding the money else-e. Or the conditions of the ne may not be attractive gh—certainly if companies more pressing cash flow ems to worry about.

e loans are repayable over iod of up to five years and over the cost of insulation, introduction of new con-devices or even the cement or renovation of inery, plant and equip-: in effect, almost anything helps the company use y more efficiently. How-the rates of interest on these loans are at current market rates which, it might be argued, is not an attractive enough proposition for companies. On the other hand, the Government never intended to provide a cut-price route to lower industrial costs.

Similarly, it seems more publicity needs to be given to the 100 per cent. first year tax allowance on the cost of insulating a factory building. This allowance covers capital expenditure incurred after November 12, 1974.

The person who incurs the expenditure qualifies for the relief whether she is a trader occupying the building or a lessor deriving income from an industrial building. The tax allowance normally covers expenditure on roof-lining, double-glazing, cavity-wall filling and draught exclusion although it might also cover other thermal insulation devices.

The Government also points out that in Assisted Areas regional development grants are available for structural alterations to buildings and, again, thermal insulation might be eligible.

Considering that industry and commerce use between them nearly half of all the energy consumed in Britain—about double the consumption of households—it might be considered the Government's "Save It" publicity campaign has been over-geared towards the householder. Certainly the vast bulk of the £5m.-plus spent on the campaign has been aimed at the individual.

## Personal

But those individuals include directors and company chairmen and it has been found that if they can be convinced at a personal level of the need to conserve energy (whether that be in the personal, company or national interest) then the battle has been half won.

As more companies become converted to conservation the competitive element should drag the laggards along behind. The means and technology are readily available: advice is there for the taking, from Government agencies or the individual fuel industries. British Gas, for instance, runs courses on industrial fuel conservation; the coal industry employs 80 fuel technologists to give advice, while the electricity industry maintains 250 engineers to serve 200,000 enterprises with plants of a significant size and another 250 to deal with about 1.5m. small firms and commercial organisations.

While the Government's loan scheme may seem, in isolation, to be an initial failure, there is every indication that higher fuel bills and the general conservation atmosphere are making industry more energy conscious. They have been spearheaded by the big groups ICI and British Steel, for example, and the major fuel suppliers—among them British Gas, the National Coal Board, the electricity supply industry, BP, Shell and Esso—but smaller companies have also heeded the message. Case studies with the Department of Energy show that some companies have made savings of a fifth or more.

And, as the Department points out, the stakes are high. For if industry and commerce can cut their energy bill by just 10 per cent they would save themselves £2m. every working day quite apart from the savings in the national interest.

**Ray Dafter**

# Better insulation is key to savings in the home

PRACTICAL improvements to Britain's existing housing stock could save around 6 per cent. of the annual U.K. primary energy consumption within the next five to 10 years.

This is one of the dramatic conclusions to emerge from a recent report by the Building Research Establishment on the potential energy savings to be realised in the domestic sector.

To achieve benefits on this scale would involve measures to improve insulation standards by cavity fill and loft insulation and changes in the mix of fuels used to supply space heating, water heating, and cooking. While acknowledging that the extent of such measures will be limited by consideration of stock location, construction and housing density, the report suggests that the present resource cost would be in the region of £3.3bn. and the value of savings, discounted at 10 per cent. a year, about the same. These figures ignore the benefits to the balance of payments and the other spin-off gains for the national economy.

The enormous potential which the domestic sector offers for fuel conservation is illustrated by BRE calculations derived from the U.K. energy statistics for 1972-73. On that basis, it is estimated that about 40 to 50 per cent. of the national consumption of primary energy is used in building services—and more than half of this is burnt up by the domestic sector.

On average, a household will allocate around 64 per cent. of its energy needs to space heating, 22 per cent. to water heating, 10 per cent. to cooking, and 4 per cent. to television, lighting and other uses.

Massive as domestic consumption may be—nearly double that of the whole of the transport sector—energy saving should not be viewed as an end in itself. "It stands or falls on the relationship between the value of the savings and the cost of achieving them," says Dr. S. J. Leach, head of the building services and energy division of the BRE.

Dr. Leach is leading the biggest research programme in Britain into how worthwhile energy savings can be realised from buildings, and the bulk of the work is concentrated on housing.

While the BRE has already been able to indicate the broad areas where savings can be made, there is still need for much more work. For example, in order to discover the savings *achieved in practice* from thermal insulation, field studies are in progress at the BRE Scottish Laboratory to measure the heat used by typical households and the effect of different standards of insulation.

## Survey

A survey is under way to obtain details about the nation's housing stock, its location, type of construction and age. Estimates of the number of dwellings with cavity walls range from under 5m. to more than 8m. Beyond that it is not known how many of these houses, because *for example of* their exposure to driving rain, would not be suitable for cavity fill insulation.

The Government, through its "Save It" campaign, is making every effort to point out the obvious fuel savings to householders. It is estimated that in a typical semi-detached house a quarter of the heat goes through the roof—more in a bungalow—some 35 per cent. through the walls, 10 per cent. through the windows, and 15 per cent. in draughts, while a further 15 per cent. is lost into the ground.

According to the BRE study: "Thermal insulation saves energy irrespective of how the space heating is supplied and is also important to thermal comfort. If the existing housing stock had been cavity-filled where possible, if the loft insulation had been improved, and windows double-glazed, the U.K. energy consumption would have been 3 to 4 per cent. less." This calculation takes account of the past evidence that some of the potential fuel saving in older properties with only partial heating would have been taken up in increased comfort. "If the full potential had been realised the energy savings would have been about 5 per cent." the report declares.

The installation of double glazing will reduce the heat loss of the average house and it will also tend to increase comfort by reducing draughts from windows. However, heavy curtaining at single-glazed windows can also reduce much of the heat loss at night.

The BRE says that energy savings to be realised by "ad hoc ventilation control (draught-stripping, installation of porches, etc.) may be significant but are not easy to quantify." Looking to the future, the BRE makes the point that suitable designs of new construction may enable much higher levels of insulation to be achieved than those assumed in its study.

The area of the insulation sector where most discussion has concentrated over the past 12 months is cavity wall filling. The BRE says that this form of insulation can reduce the heating costs of a typical dwelling by up to 30 per cent. and at the same time reduce the risk of condensation.

## Cavity fill

The rapid introduction of cavity fill has been checked by the decisions of many local authorities to use the building regulations to prevent work going ahead. Under the regulations cavity fill is regarded as a structural alteration requiring a special relaxation of the rules in each case.

However, the Department of the Environment stepped in late last year with guidance for local councils, pointing out that special approval should not be necessary for "a significant proportion" of such work.

Exempted from the tight control are existing houses of up to three storeys, depending on the material used and the degree of exposure. The installer has to ensure that his work is covered by a certificate from the Agrément Board—the Government-sponsored organisation which investigates and assesses materials used in the construction industry.

The DoE said its initiative was intended to "help in the general drive for energy conservation by facilitating a process which, properly carried out with the right materials in the right circumstances, is a satisfactory and cost-effective way of improving thermal insulation."

Despite the move some local authorities have still been slow to comply with the Government guidance although the DoE maintains that the situation is improving.

A conservation measure with great potential for the future but where much more research and development is necessary involves the use of heat pumps. These machines extract thermal energy from a low temperature source — such as water, the soil or the atmosphere — and upgrade it to a higher temperature useful for heating purposes. The pump produces a heat output which is always greater than the work input, usually by a factor of about two or three.

Though there are about 1m. heat pumps in use in the U.S., their acceptance in the U.K. has been limited. However, according to the BRE, they lend themselves particularly well to U.K. space heating requirements. "If the present domestic *space heating and hot water* requirements have been met by electric heat pumps, the U.K. energy consumption would have been about 7 to 9 per cent. less."

*Work is already under way* at the BRE to further the development and application of heat pumps to U.K. use. It includes evaluating present machines and future designs, specifying the requirements of particular uses, and determining performance.

The factors important for housing are the performance of the heat pump, the capital cost of the machine (which is higher than that of the conventional heater), the running cost and the cost of providing the low temperature source of thermal energy. The BRE intends to provide a guide *whereby the relative importance* of capital and running expenditure can be determined so that the optimum heat pumps for a given building can be selected.

## Ventilation

The least known aspect of energy use in housing is the heat loss through ventilation, according to Dr. Leach. Calculations *suggest that heat loss* through ventilating air accounts for about 30 per cent. of the space heating load in a fairly well insulated house.

In the main, the U.K. has *traditionally relied upon* natural ventilation which, though obviously cheap, is difficult to control as it is dependent upon wind and convection. The fact that the effect of natural ventilation is so unpredictable has made it difficult to take into account during the design of houses. In a move to remedy this, a programme of measurements of natural ventilation rates in dwellings is currently being carried out with the help of the Building Services Research and Information Association.

Though the measurements will have value in themselves, *the main object of the exercise* is to compare them with predictions from a computer-based theoretical model. If sufficiently validated, the results will be used to examine proposed future ventilation designs.

Mechanical ventilation systems almost inevitably involve higher capital and running costs than natural systems but this may be offset by reductions in heat loss. By contrast with a natural system, the mechanical method can supply more reliably the required amount of air when and where it is needed. Moreover, it may be possible to incorporate some form of heat exchanger to reclaim heat from the outgoing air and transfer it to the incoming air.

The BRE says that a number of such heat recuperation systems are available, although they are not currently much used in the U.K. Depending upon the installation, they may be expected to reduce heat loss through ventilation by between 40 and 70 per cent.

Work is already under way to study small heat exchangers for use in housing.

One area where the *Department of Energy is concentrating* its current "Save It" campaign is on central heating controls. If people can be encouraged to ensure that their heating systems are operating efficiently, *major savings could be realised* and quickly.

Computer simulations are being developed by the BRE to give an insight into better design of control systems used for central heating and the conclusions will be tested.

One problem in assessing the effectiveness of controls is that people may prefer to open a window rather than put off heating, particularly when they are not responsible for the fuel bill.

## Windmills

Windmills, one of the oldest forms of energy generation, are being reassessed in the wake of *the fuel crisis, but their usefulness in this country* is likely to be particularly limited. The intermittent supply would probably confine their use largely to space and water heating. "In principle the potential savings from aerogenerators could represent a few per cent. of the national primary energy consumption. However, restrictions caused by the density of urban development are likely to considerably *limit this potential,"* the BRE report says.

A more promising area which has aroused attention over the past couple of years is solar energy. Solar space heating is likely to be confined to specially designed houses but the sun may be used to supplement water heating in existing buildings provided they are suitably placed to benefit from the sun's rays.

A number of solar panels for heating water are already on the market in this country but the BRE stresses the need for standard test and evaluation procedures so that the *performance of different designs* may be compared. Tests are already being designed by the BRE, and computer studies of solar water heating systems are also under way.

*Obviously in the longer term,* major savings in energy derive from new house [...] Only around 300,000 p[...] a year are construct[...] pared with the existi[...] of nearly 20m., but [...] is already being made [...] tects and builders p[...] attention to the fuel [...] *ments of householders*

In order to be able [...] practical guidance, the [...] building three expe[...] houses, each designed [...] normal energy consum[...] two-thirds. One house [...] upon solar energy, an[...] heat reclamation, and [...] upon a heat pump. F[...] research it is planned [...] duce recommendations [...] design of new low ener[...]ing.

Overall, Britain has [...]sive programme of Gov[...] research intended to [...] new sources of energy [...] the domestic front—[...] supplemented by rese[...] private industry seeki[...] mercial answers to th[...] problem.

**Arthur**



هكذا اصل الأصل

# BOOKS

## Melting-pot medley

C. P. SNOW

:me. E. L. Doctorow. Mac- llan. £3.50. 270 pages

e primary thing about *Rag-* 1s that it is both an excep- lly interesting and a good l. Some of the interest is atitious, on account of the 's enormous success in the ed States, and also some of *Doctorow's quasi-historical* 'es. The real virtue of the l is more essential. The r has a passionate narrative lse which is going to propel the most delicate and anti- rican reader from page x to x plus 1. Further, Mr. orow has appetite, that is, tite for human being as they not necessarily love or com- on, though there is some of too, but above all relish in g in the human condition.

thout those two qualities, ls are no good. All the -end sensibility in the l can't save them, nor the devoted critical exegesis. Doctorow has both qualities. s in a good many respects of a sport (or maverick or der) *among novelists, but* also a novelist from the top is head to the soles of his

for the human appetite, the of the book is contained in ries of interlocking stories, with vividness and economy. period is, apart from a few s of epilogue, the decade or efore the first World War— e *Ragtime* as a title. There are spasms of nostalgia here and there, since our literary climate is drenched in nostalgia, but Mr. Doctorow has too much historical insight to let it overwhelm him. One of his families, drawn with admirable clarity, are middle-class WASPS presenting a face to society despite acute strain. Rather oddly, and for reasons known only to the author, they are usually referred to as Father, Mother, and Younger Brother, which gives a kind of off-Chinese effect, but they are nice three-dimensional characters.

They become involved, through a black servant, with *her lover, formidable,* insisting on his civil rights, very well done. It is with the black group that much of the inner narrative is sustained. Finally, there is a family of Jewish-immigrants who become connected and in the end intimately connected, with the WASPS. The background of immigrant living in the early 1900s is utterly convincing, and pretty scarifying. Perhaps in the ascent of Jewish papa to eminence in the primitive film industry there is the *only touch of sentimentality, or* wish-fulfilment, in the novel, but Mr. Doctorow knows more about that than we do.

Any of these stories, or their interplay could, of course, have made a novel by itself: but Mr. Doctorow had *another* intention. He set out to imbed his people in history, or rather, in a decorative and imaginary frieze of history. He has introduced actual figures of the period—Pierpont Morgan, Henry Ford, the Thaw — Stanford White — Evelyn Nesbit murder triangle, Freud, Houdini, Emma Goldman—direct into the substance of his story. There is nothing specially unique or shocking about that. Sir Walter Scott did so long ago, and a series of successors, including Tolstoy, Proust, and less eminent performers. But nearly everyone has kept to some semblance of historical events, or at least events which could have happened. The Queen of Naples, when told how Proust used her to give her arm to the disgraced Charlus, said that, though she hadn't behaved like that because she wasn't present, she would undoubtedly have done so.

Mr. Doctorow has cheerfully and openly allowed himself far greater liberties. People meet, talk, interact, according to how he wants to manipulate them, not as they did in prosaic fact. There isn't the slightest evidence that Henry Ford and Pierpont Morgan ever had solemn discussions about the secret wisdom of the Rosicrucians (Morgan) or Reincarnation (Ford). It just didn't happen. But it serves Mr. Doctorow's artistic and even more his historical purpose, in showing persons of immense power in their period behaving like credulous half-educated *peasants.*

Similarly with the others. Freud's disapproval of America can be partially documented, but it wasn't much like this.

Pierpont Morgan, Harry Houdini (Erich Weiss) and Emma Goldman—three historical figures put into fictional situations in "Ragtime"

Nevertheles, Mr. Doctorow has a point to make. Formally, it is all much like Mr. Stoppard's treatment of the Zurich personages in *Travesties*: but Mr. *Doctorow is drawing on a his*torical imagination rather than a literary one, and the result is richer. Just as his novel is richer than others by his American contemporaries derived from literary sources, not from his historical-cum-social ones. He is often quirky and wilful, but he has an instinct for his own kind of truth.

Since objective history is important, though, it would be a good idea if in future editions—there will be plenty—there were a few notes appended. They should say which of the real life incidents have been invented, and perhaps mention where Mr. Doctorow's interpretation of these characters is idiosyncratic. Was Emma Goldman, for instance, really much like Mr. Doctorow's character? As we read, he makes us believe it.

He makes us believe in this world of his throughout. That is his achievement, and a major one. No novel comes easily to mind with which this can usefully be compared. It will be dismissed by persons less successful than Mr. Doctorow simply because he has been too successful, both artistically and, an *even greater* offence, commercially. In any field as precarious as literature, envy can't help being endemic, and there have already been some stirrings across the Atlantic. Never mind. The book will be argued about, found impossible to put into any slot, disapproved of. It will also continue to be read.

## Master classes

BY ELIZABETH FORBES

ln and Viola by Yehudi :nuhin and William Prim- se, 250 pages

o by Louis Kentner. 4 pages. Macdonald and ne's. £4.50 (hardback), £2.25 mp), each volume.

iese titles are the first in a series called the Yehudi uhin Music Guides. Though d primarily at the music ent, they contain much that interest to the non-profes- l music-lover, whether or he is able to play the instru- t concerned. Later this year are promised *Clarinet* by Brymer and *Oboe* by Leon sens and Edwin Rozburgh; -reparation are such mouth- ring contributions as James vay on the flute, Narciso s on guitar and lute, and y Tuckwell on the horn.

s general editor of the series, uhin has provided a proto- e in *Violin and Viola.* His re of the book—a good two ds of it—comprises sections *preparation and techniques,* ctising and playing in public, ching, repertory and interpretation. The views expressed are purposely idiosyncratic and do not pretend to objectivity. A chapter on the violinist in action—as *orchestral musician,* leader, soloist or chamber-music player—is particularly illuminating, and one likely to be of great interest to the ordinary reader. Bach, Paganini and Beethoven are the composers selected for special scrutiny in the repertory section.

William Primrose then contributes a similar, but much shorter, exposition on the viola, and the book ends with a brief, scholarly chapter on the history of the violin family by Denis Stevens. The three authors by no means always coincide in their outlook or approach—or even in their spelling of proper names: Menuhin opts for Stradivarius and Guarnerius, Primrose for Stradivari and Guarneri— but their book will undoubtedly be of great practical help to the young or inexperienced string-player.

Louis Kentner's *Piano,* however, could well appeal to a much wider readership. Though he gives just as much, and as sensible, technical advice—the *chapter on pedalling* should become required study for all pianists, amateur or professional—Kentner devotes proportionally more space to his survey of great pianist-composers. Like Menuhin, he has room to deal in detail *with only three composers*—Beethoven, Chopin and Liszt—but his reasons for the exclusion of others—Weber, Schumann and Brahms—tell one almost as much about those composers as they do about Kentner's own musical tastes.

Beethoven's 32 piano sonatas are analysed at some length, and practically the whole of Chopin's output is described in succinct though masterly fashion. But the heart of the book lies in the chapter on Liszt. Kentner, despite his modest self-description in the foreword as a "newly-hatched writer," can pack as much information into less than 20 pages as most professional authors on music manage to convey in over 200. Liszt—the composer, the pianist and the teacher—springs vividly to life in his words, much as Liszt's music springs to life under Kentner's fingers in the concert hall, while his portrayal of the effect that the Hungarian *composer's own "ten marvellous fingers"* had on his audiences is equally graphic.

## All sports

BY TREVOR BAILEY

:gasus (Oxford Illustrated s. £4.50, 245 pages) is a ly personalised, lively unt of the brief history he Oxford and Cambridge which brought so much r to amateur football in .950s.

e author, Ken Sherwood not had much to do with the ding of Pegasus, but also d for them with distinction. n Oxonian, he favoured the ging of the one year rule, h meant that former "Blues" ne eligible to turn out for lub long after they had gone . This strengthened the in the early days, but it also n abandoning the original eption, which was to provide etitive cup football for rgraduates, not ex-graduates.

ssibly Pegasus was always n to bloom and die," but undamental alteration made olutely inevitable. Dr. H. W. Thompson, the club's first honorary secretary, later president and the driving force was convinced that the decision was correct and carried the Oxford contingent with him. Ken Sherwood feels the many glories, including twice winning the Amateur Cup and the good it did the game were more than adequate justification, but there are Cantabs who still regret the *betrayal of a principle.*

Be that as it may, this book is full of fun and football in the days when the amateur game could still draw the crowds. Pegasus brought back memories of the old Corinthians and the general public enjoyed their stylish soccer. They were neither interested nor concerned with the bitter battle that was waged behind the scenes.

Speed, and the fear it so often causes is the fascinating theme which David Frith deals with in his book, The Fast Men (Van Nostrand, Reinhold and Co., £8.95, 200 pages). This is the story of the great fast bowlers who have dominated cricket over the past 200 years. It is packed with anecdotes and characters, thus making the ideal companion for a cold winter's night.

The author has not merely confined himself to the genuine speed merchants, like Larwood, Lindwall and Lillee, but has also *included most of the outstanding* new-ball bowlers. The speedmen, especially when they hunt in pairs are not only so often the decisive factor in Test series, but they possess the same exciting, primitive appeal of the heavyweight with the knock out punch.

Probably no boxer has created more impact with both his gloves and his personality than Muhammad Ali. Wilfrid Sheed in Muhammad Ali (Weidenfeld and Nicolson, £6.50, 256 pages), provides a fine portrait of a complex individual in both words and photographs. The photos, many in colour, are superb, but though the author tries hard to catch Ali and often succeeds—which is more than can be said of most of his opponents in the ring—he really needs more space to do full justice to "the most famous man in the world."



## Tribal and formal

BY ISABEL QUIGLY

Selected Stories by Nadine Gordimer. Cape, £3.95. 381 pages

Families and Survivors by Alice Adams. Constable, £2.95. 211 pages

"She could sit at a tribal beer *drink . . . or among the black* ties and crackling shirt fronts at the formal dinner of some dull learned society, with equal naturalness," Nadine Gordimer says of a character in "The Night the Favourite Came Home"; and she might be writing of her own quality as a writer. The *Selected Stories* (her own selection) cover 30 years, therefore plenty of social and political change in southern Africa, where all of them are set; but a wide range of sympathies and attitudes as well, of classes, work-groups, places, even races; from the smart and educated to the simple and half-literate and in every sort of social niche in between, in farms and towns, plushy flats and suburban houses, trains from Capetown to Johannesburg, or from Rhodesia going south, settlements in which, in camps and caravans and houses, people mine, build roads, open up new tracts of country; and all kinds of landscape, amazingly vivid to the outsider. Equally diverse are the outlooks and situations, the eyes with which people look on the world even when the narrative is not (it seldom is) in the first person.

There are the overlapping worlds of the intellectual liberals viewed sometimes with sympathy, often with irony, occasionally (for their patronising airs and phoneyness) with distaste; the middling worlds of uncommitted whites, to whom black people are peripheral, comfortably servile; the outdoor world of tennis and sunshine, holidays, dancing, clubs, bars, commercial travellers, easy sex and bonhomie, hotels; the rough worlds of the half-pioneering whites and the subterranean worlds—never quite entered but suggested in sidelong glimpses—of the non-whites: Indians, Coloureds, tribal Africans and city Africans.

A trip through the 31 stories, taken from five already published collections (some of them therefore old favourites with Gordimer fans), gives what seems a broad view of South Africa, especially at its most remote from us, in the aspects it is hardest to envisage. Climate, light, landscape, and of course, attitudes and ways of life—all these are hard to enter from outside; but it is the mind, spirit, even nerve-ends it is hardest for us to identify with, and it is with things as unfamiliar and indefinable as these that Miss Gordimer is at her best.

Few writers are as chameleon-like while remaining intensely vivid; few writers can enter imaginatively worlds in which writing doesn't count, ideas have no place (except for a few received ones, translated into clichés). "The concept 'intellectual,' gathered from reading, belonged as categorically to the Northern Hemisphere as a snowy Christmas," she writes in her introduction. So, from a background in which she was "walled up among mine dumps, born exiled from the European world of ideas, ignorant that such a world existed among Africans," she has kept the ability to enter the skin, the feelings, the speech

Nadine Gordimer: stories of southern Africa

patterns and even the mindlessness of people similarly walled up, exiled and ignorant, who have never, as she has, left the world where they first belonged. The writing is detailed, carefully worked, strong; the dialogue always credible, the accents sounding exact. Good imagery manages to be at once striking and in the right way unobtrusive (the newly married couple with "that look of a pair tied up for a three-legged race who haven't mastered the gait yet"). The stories are never about literary people or preoccupations yet are written with a passion for literary craftsmanship, for exactness of tone; so that now and then, in the least familiar situation, one gets the right shiver of recognition.

In her introduction Miss Gordimer tries to define the difference between novel and short story. "A short story is a concept that the writer can 'hold,' fully realised, in his imagination, at one time," she says. "A novel is, by comparison, staked out, and must be taken possession of stage by stage: it is impossible to contain, all at once, the proliferation of concepts it ultimately may use." A novel, in other words, isn't short stories strung together in a row. But that, disconcertingly, is sometimes what the highly self-contained chapters of *Families and Survivors* seem to be. Elliptical, suggestive, with *little* description of detail, in texture they are totally unlike the closely woven Gordimer stories, and are not meant (of course) to be taken as short stories at all.

Events in fact cover thirty years and time is a factor in the narrative, the future being included in the present and what's to come predicted at each stage; so that a sense of circularity (the opposite of the desiccated, short-story feeling) is after all and in a certain sense achieved.

Take a central figure, Louisa with her grandish Virginian background, and her relationships from 14 to 44, mostly with *men: the talent with which this* is done is formidable—why else would one read so avidly, why else should it stick in the mind?—and all with a no-fuss lightness and ease in dealing with its (mostly) sad neurotics, and a method that doesn't embroider or build up but almost impressionistically conjures with the fewest necessary words exactly what it wants, achieving a sense of reality, even of realism, in the process. Yet somehow, by the end, the effect is trivialised by its very qualities gone slightly askew: grace becomes chicness, or something uncomfortably like it.

## Recent Victoriana

BY ANTHONY CURTIS

"The history of the Victorian Age" wrote Lytton Strachey in Eminent Victorians (Penguin Modern Classics, 75p, 267 pages) "*will never be written: we know* too much about it." We know even more about it in 1976 thanks to those who persist in defying this judgment. Here are some recent books of research into Victorian life:

Victorian Entertainment by Alan Delgado. David and Charles, £1.95. 111 pages

Paperback edition of a book published in 1971: a wide-ranging survey of leisure in Victorian times which looks at street entertainers, dinner parties and at homes, songs, suppers, holidays, exhibitions, pleasure gardens, Punch, playbills.

Victorian Pubs by Mark Girouard. Studio Vista, £9.95. 223 pages

Mr. Girouard, who is Slade Professor of Fine Art at Oxford, traces the fortunes of London and provincial pubs from the gin palaces of the 1830s to the golden age of the 1890s. It is a fascinating piece of social history, taking in such matters as the impact of the temperance *movement which caused the* curtailing of licensing hours. He deals too with pubs and secret societies (freemasons and others), pubs as a venue for theatrical performance which ultimately resulted in the emergence of the music hall. The architectural side, from the *development of the bar counter* which gradually became more and more prominent a feature to the splendours of the interior and the facades, is charted with the help of many splendid illustrations.

Collapse of Stout Party: Victorian Wit and Humour by Ronald Pearsall. Weidenfeld and Nicolson. £4.95, 228 pages

This is a vast subject and Mr Pearsall has a plucky stab at it. He points out how cruelly insensitive much Victorian humour was, then gets a little bit out of his depth with Freud, Bergson and other theorists, but quickly surfaces again to remind us of such old favourites as George du Maurier, Edward Lear, W. S. Gilbert, Lewis Carroll, and many anonymous punsters and jokers.

Victorian and Edwardian Theatres by Victor Glasstone. Thames and Hudson, £6.00 (paperback £2.95). 135 pages, 210 illustrations

As with pubs theatre architecture reached superb heights of *fantasy and extravagance during* the Victorian period and was a response to many of the same social pressures. Mr. Glasstone, himself an architect specialising in theatre design, claims that the period represents, "one of the summits of achievement reached by this fascinating and *highly specialised architectural* form, matched only by the Classical Greek and Continental Baroque periods." Above all the designers of the theatres, and the actors and playwrights who worked in them, were concerned *to create* an illusion; an aim reflected in the photographs which adorn the book.

The Victorian Popular Ballad by J. S. Bratton. Macmillan. £7.95, 275 pages

Mrs. Hemans's "The boy stood on the burning deck . . ." represents a genre hitherto neglected by literary historians. Now Dr. Bratton of Bedford College, London, has given the term "ballad" the widest possible connotation in Victorian England and drawn up guide-lines for its appearance in the drawing-room and on the boards, as propaganda and as comic entertainment. She finds in it a rich repository of folk art and relates this to the long tradition of the ballad in our literature.

Charles Dickens The Public Readings edited by Philip Collins. Oxford. £15.00. 486 pages

Here are the texts in full of the 21 extracts from his works which Dickens performed in public, over 16 years at the end of his life. Mrs. Gamp, Bardell and Pickwick, The Chimes, The *Haunted Man, Sikes and Nancy* are among them. Dr. Collins gives us all Dickens' underlinings, alterations, emendations and other marginalia, and he also provides a long introduction which treats of the history of the readings, the *style* in which they were given, and the central place they occupy in what he calls "the Victorian soloist tradition" in which both authors and actors took part. They often assumed a great many different roles during a single evening. The volume, though expensive, is an important addition to the Dickens canon.

*The Penguin Book of Victorian* Verse edited by George MacBeth. Penguin. £1.25, 441 pages

Welcome reissue of the anthology first published in 1969. In his introduction the editor argues that, "The Victorian age is the great age of fiction in English poetry," and points to the virtues of some forgotten poets of the period such as Eugene Lee-Hamilton and Richard Watson Dixon. His selection from a vast output skilfully combines the celebrated and the obscure, while whetting the appetite for more.

## On the hod

BY H. A. N. BROCKMAN

*Bricks To Build A House* by John Woodforde. Routledge & Kegan Paul. £3.50. 280 pages, illustrated

False teeth, cottages, false hair, bicycles and now bricks are the subjects which have absorbed John Woodforde and have resulted in some lively *writing backed by considerable* research.

In his book on bricks he traces the history of this handy building component from the very earliest time. He provides much technical information on the properties of various clays, and the reasons for the development of red as the predominant colour of brickwork in this country. He also deals with the further and more recent variations through a large colour range.

All this is presented without the technical jargon a brick specialist might have used, for Mr. Woodforde is drawn to his subjects by a lively curiosity which completely *humanises* the theme.

*The almost sudden fashion of* using brick in the early years of the eighteenth century encouraged country gentlemen to cover the outsides of their mostly medieval timber houses with a brick skin. Out of this curious case of keeping up with the Joneses there arose in the south east, centred mainly on the Sussex town of Lewes, the invention of the mathematical, or geometrical, tile initially used to avoid *tax on normal sized bricks.* This component was hung on the outside of the wall with the specific purpose of imitating brickwork, which it often most successfully did. Subsequently variations of surface treatment *including* the beautiful black glaze to be seen in a number of buildings in the area were admired for their own sake, no longer shielding with shame the older and unfashionable work but standing frankly as the example of a much prized skill.

There are chapters on brick-yards, transport, inventions in brick manufacture and a substantial treatise on the ubiquitous fletton brick, of which 10m. were used in the construction of Westminster Cathedral.

Sometimes the anecdotal quality results in a near but amusing non-sequitur, as in his account of the rise of the well known firm of Eastwoods with their fleet of 70 sailing barges, one of which, "the Surrey, *was prominent in the film Red Sails in the Sunset* starring Jessie Matthews."

The illustrations are well chosen, many being in colour. Perhaps Mr. Woodforde will now turn his attention to a history of false legs; from his pen it would be well worth reading.

## Difficult boy

BY ISOBEL MURRAY

The Glass Zoo by James McNeish. Hodder & Stoughton. £4.25. 352 pages

*The Glass Zoo* is a novel about a modern London comprehensive school. It takes the form of a journal kept by a new teacher, Ralph Stanton, like his author a New Zealander teaching for a *while in England. All the ordi*nary problems of modern urban comprehensives, size, vandalism, discipline and so on, are illustrated incidentally, but from the first Stanton's attention is captured by two questions which *may even end up as one.* There is a lot of evasiveness in the staffroom, many unanswered questions, deliberate keep-off signs; and there is one perplexing boy, John Marsh.

Being new, Stanton is landed mainly with remedial teaching, and Marsh becomes an absorbing interest to him. Certainly the boy has great difficulty in reading, but this apart his talents are legion. He is far too clever for *his form;* did he fail exams on purpose to stay with his friends? He is a talented thief and liar, *and a talented accountant in his father's* business: he has built his own telescope and become a fine photographer. But did he deliberately cause a chimney to fall on Mr. Page, a teacher he had sufficient reason to hate? Three months later the question becomes, is he guilty of murder?

As Ralph Stanton fascinatedly takes on these questions he gets for the most part very little help from Marsh, who is as unwilling *as most* of the teachers for the whole matter to be cleared up. So the head and deputy head and attractive Wendy Hurley, Page's girlfriend, also obstruct Stanton in different ways, only increasing his determination to understand Marsh and what has happened. He only succeeds in the course of a gruelling murder trial. This is an intriguing story, very occasionally lagging, but on the whole very successful.

## U.K ECONOMIC INDICATORS

| | | 1976 | 1975 | 1975 | 1975 | 1974 |
|---|---|---|---|---|---|---|
| | | Jan. | Dec. | Nov. | Jan. | Dec. |
| **General** | Unit | | | | | |
| Unemployed¶ ... | '000s | 1,430.3 | 1,211.4 | 1,168.8 | 742.0 | n.a. |
| Unfilled vac'ns . | '000s | 88.8 | 103.1 | 115.7 | n.a. | n.a. |
| | | | 1975 | 1975 | 1974 | 1974 |
| | | Dec. | Nov. | Oct. | Dec. | Nov. |
| Wage rates ...... | Jly.'73=100 | 196.8 | 194.2 | 186.2 | 157.1 | 153.1 |
| Currency resrvs. | $bn. | 5.429 | 5.606 | 5.710 | 6.789 | 7.824 |
| Bank advncs. b | £bn. | 13.731 | 14.079 | 14.132 | n.a. | n.a. |
| Basic mater'ls d | 1970=100 | 258.6 | 256.1 | 251.7 | 222.5 | 223.8 |
| Terms of trade | 1970=100 | 79.7 | 81.2 | 81.6 | 76.2 | 76.4 |
| Retail prices ... | Jan.'74=100 | 146.0 | 144.2 | 142.5 | 116.9 | 115.2 |
| | | Nov. | Oct. | Sept | Nov. | Oct. |
| Manfd. prods. d | 1970=100 | 198.6 | 197.0 | 194.9 | 164.6 | 162.2 |
| Retl. sales val.** | 1970=100 | 182.1 | 179.6 | 179.3 | 160.3 | 160.2 |
| HP debt¶ ...... | £m. | 2.289 | 2.261 | 2.257 | 2.313 | 2.294 |
| Indust. output** | 1970=100 | 101.8 | 101.3 | 100.5 | 106.6 | 107.0 |
| | | 1975 | 1975 | 1975 | 1974 | 1974 |
| **Trade and Industry** | | Dec. | Nov. | Jan.-Dec. | Dec. | Jan.-Dec. |
| Cars* ............ | '000s | 115 | 115 | 107.5 | 137 | 127.8 |
| Imports f.o.b. ... | £bn. | 1.966 | 1.924 | 1.832 | 1.745 | 1.727 |
| Exports f.o.b. ... | £bn. | 1.767 | 1.637 | 1.565 | 1.386 | 1.282 |
| Visible trade balance ......... | £m. | −199 | −287 | −267 | −286 | −438 |
| Comm. vehicles* | '000s | 33.5 | 28.2 | 32.2 | 40.0 | 33.5 |
| Steel (weekly average) ...... | '000 tonnes | 310 | 402 | 383 | 402 | 431 |
| | | Nov. | Oct. | Jan.-Nov. | Nov. | Jan.-Nov. |
| Man-made fibres* ......... | m. kgs. | 49.13 | 55.11 | 46.93 | 43.11 | 50.71 |
| TV sets‡‡ ...... | '000s | 221 | 250 | 211 | 256 | 257 |
| Radios, radiograms‡‡ ...... | '000s | 354 | 423 | 382 | 346 | 428 |
| Houses compltd.§ | '000s | 27.0 | 29.0 | 26.6 | 24.3 | 22.4 |
| Bricks* .... ... | millions | 437 | 488 | 421 | 438 | 475.1 |
| Cement (weekly average) ...... | '000 tonnes | 341 | 353 | 332 | 346 | 348.4 |
| | | Oct. | Sept. | Jan.-Oct. | Oct. | Jan.-Oct. |
| Furniture†** ... | 1970=100 | 150 | 150 | 153 | 127 | 135 |
| Petroleum ...... | m. tonnes | 7.06 | 5.96 | 6.58 | 8.58 | 7.46 |
| Hosiery* ......... | 1970=100 | 91 | 91 | 92.8 | 101 | 101 |
| Electric cookers | '000s | 103.3 | 93.6 | 78.9 | 103.3 | 71.8 |
| Washing mchns. | '000s | 95.8 | 84.5 | 84.5 | 51.7 | 72.5 |
| Raw cotton (weekly av.) ... | '000 metric tonnes | 2.65 | 1.72 | 2.3 | 2.32 | 2.27 |
| | | Sept. | Aug. | Jan.-Sept. | Sept. | Jan.-Sept. |
| Enging. (orders on hand)** ... | 1970=100 | 106 | 109 | 115 | 135 | 137 |
| Raw wools ...... | m. kilos | 9.5 | 7.0 | 9.1 | 9.0 | 10.2 |
| | | Aug. | July | Jan.-Aug. | Aug. | Jan.-Aug. |
| Machine tools† . | £m. | 21.2 | 22.0 | 23.6 | 17.6 | 18.9 |
| | | 3rd qtr. | 2nd qtr. | Year to date | 3rd qtr. | Year |
| Motor trade turnover ...... | 1970=100 | 151 | 143 | 144 | 126 | 119 |
| Consumer spending ...... | £bn. 1970 values | 8.814 | 8.041 | 26.855 | 8.063 | 35.741 |
| | | 2nd qtr. | 1st qtr. | Year to date | 2nd qtr. | Year |
| Bldg. and civil engineering* c | £bn. | 2.903 | 2.631 | 5.534 | 2.558 | 4.949 |

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries; U.K. made and imported sets. b From May, 1975, onwards new basis of calculation, refers to advances to U.K. public and private sector. Historical figures on new basis not available. d Prices. f Including cooker griller toasters. c Value of output. ¶ United Kingdom not seasonally adjusted.

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Our client, a dynamic city based private *property group which enjoys an excellent* reputation for its high standards of professionalism, requires a Financial Controller.

Reporting to the Group Managing Director/Partner, the person appointed will assume responsibility for the entire financial function and will additionally assist group companies and clients in the evaluation of capital projects and also be responsible for the company secretarial function.

Candidates must be exceptionally able qualified accountants aged 27-32 who have had first class professional experience at a senior level in one of the larger firms. Experience of investment appraisal and a working knowledge of taxation in the property field would be added advantages.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

*The Executive Selection Division–MF543.*

Coopers & Lybrand Associates Ltd.,
Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

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## Tax Consultants

Large International Firm of Chartered Accountants has vacancies for Tax Consultants in their London Office Tax Department for people with comprehensive experience in U.K. personal/ corporate taxation, international taxation or estate planning, including trusts.

For further details, please write to Box No. A.5400, The Financial Times, 10 Cannon Street, London EC4P 4BY.

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Accountancy Appointments appear every Thur[sday]
Rate £10.00 per s[ingle]
column centime[tre]
For further det[ails]
telephone 01-248
ext. 588

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CJ RECRUITMENT ADVERTIS[ING]
35 New Broad Street, London EC[2]
Tel: 01-588 3588 or 01-588 357[6]
Telex No. 887374

## FINANCIAL DIRECTOR

**LONDON S.W.7.** **C. £8,000 PLUS BONUS AND CAR**

**THE AMERICAN INSTITUTE FOR FOREIGN STUDY, THE LEADING EDUCATIONAL TRAVEL ORGANISERS**

Require a strong self-motivated Manager to assume the financial and administrative responsibilities of their London office. Working directly with the Chairman, Programme Directors and other Senior Executives, the successful applicant will be responsible, through the Accountant, for budgeting and financial reporting covering all aspects of the business, payment of bills, control of cash resources, taxation and foreign currency dealings. Aged 35-45, candidates must have a proven record of sound judgment, ability to determine priorities and able to work to tight deadlines and must enjoy the environment of a small, fast moving organisation. Qualifications an advantage but not essential. Fringe benefits include substantial bonus, B.U.P.A., equity participation and non-contributory pension. Write in confidence with career details and names of two referees to:

Mr. Cyril Taylor, Chairman, American Institute for Foreign Study, 37 Queens Gate, London SW7 5HR.

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C&L

**West End** **up to £8,000 + car**

## GROUP ACCOUNTANT

Our clients are a major quoted vehicle distributor with headquarters in the West End of London. With good management and tight financial control the group is weathering the recession better than most of its competitors and is well placed to take advantage of the coming up-turn in vehicle sales.

Reporting to the Financial Director and working closely with members of the board, the Group Accountant will be responsible for co-ordinating financial and management accounting activities and the treasury function throughout the group.

*Applicants must* be *qualified accountants* aged from the mid thirties, technically up-to-date and with at least three years' experience at a senior level in either the profession or industry. A sound understanding of computer based systems is essential.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

The Executive Selection Division – MF536.

Coopers & Lybrand Associates Ltd.,
Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

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## *Qualified Accountant*

LEADING PROPERTY GROUP LONDON (

- Wishes to engage a professionally qualified a[ccoun]tant to act as deputy to Group Accountant.
- Should be able to deal with all aspects [of] Accounts Department, its work and sy[stems] embracing Company and Agency Accounts, ta[xation] including value added tax, administration, etc
- Experience of property accounting and org[anisa]tion is necessary; knowledge of E.D.P. would [be an] advantage for the implementing of new syste[ms in] due course.
- Salary negotiable around £6,000 per ann[um.] contributory pension scheme is in operation.
- Confidential applications in writing givin[g] details of qualifications and experience shou[ld be] addressed to

Box A.5397, Financial Times,
10, Cannon Street, EC4P 4BY.

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We are a Brussels based division of an international company operating in the automotive branch.

We require a

## MANAGER OF OPERATIONS ACCOUNTING

whose experience in the following areas would enable the candidate to be responsible for the management of national accounting activities in Germany, Holland and Belgium:

1. General accounting work in a supervising position in an American corporation covering as many aspects as possible of financial accountancy or experience in a public accounting office auditing the US standards.
2. Experience in tax and legal aspects of the financial operations, especially good practical knowledge of German tax law and some ideas or practices in other countries.
3. Experience in installing internal controls, developing new accounting departments in a rapidly expanding environment.

Age: 30–40 years.

Languages: German, English and some knowledge of French.

Please write giving full details of qualifications and experience to advertising agency: Universal Media, chaussée de La Hulpe 122, B-1050 Brussels, Belgium, who will forward. (Please mention the ref. FT/536 on the envelope.)

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**Hanson Trust Limited**
**require a**

## Financial Comptroller

for its Construction Equipment Division who will be based in the London area and will succeed the present comptroller who has been promoted within the group. The division currently has a turnover of £14 million and is organised in a number of self-accounting companies in the U.K. and Australia. The successful applicant will be responsible to the Divisional Chief Executive for all aspects of financial control.

Hanson Trust is a company which has increased profits from £100,000 to £12 million over the past eleven years and is committed to a policy of continuing this growth by acquisition and organic progress. The position therefore offers enormous scope for an ambitious and energetic accountant to make a major contribution to its future growth, both from the financial control aspect and by taking an increasing responsibility for general management.

The successful applicant will be a chartered accountant with around ten years' professional and commercial experience. A substantial salary will be paid and generous fringe benefits are available. Application should be made to:

The Financial Director
HANSON TRUST LIMITED
180 Brompton Road, London SW3 1HF

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## GENERAL APPOINTMENTS

SIMON & COATES

## Retail Analys[t]

Simon & Coates is expanding its resear[ch in] the consumer industries and wishes to recru[it an] additional analyst in the retailing sector.

The successful applicant, whose experience may be in stockbroking or with an institution will be expected not only to maintain regular contact with retail managements and produce quality written work but also service a wide ra[nge] of institutions on the sector.

This is an important position with substanti[al] prospects for the right person.

Please write in confidence with full details to:

M. J. Prag, Simon & Coates,
1, London Wall Buildings, London, E.C.2.

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# *Hoggett Bowers*

Executive Search & Selection Consultants

## Accounting & Systems

**Tehran** **To £10,000 + excellent benefits**

Our client, a major Development Bank in Tehran, is expanding rapidly and is looking for experienced people to join them on two or three year contracts. The bank has a number of accounting-related vacancies, notably for an Internal Auditor and Financial Accountant. These are both new appointments offering full scope to combine initiative and creativity with technical expertise.

Candidates, probably 25+, must speak fluent Farsi and possess a relevant recognised qualification, with UK experience gained ideally, but not necessarily, within a bank.

Please telephone or write in confidence for a Personal History Form to Mrs. Indira Brown, quoting reference 19034/FT. Sutherland House, 5/6 Argyll Street, London W1E 6EZ. Tel: 01-734 6852.

Offices also in Birmingham, Bristol, Glasgow, Leeds, Manchester, Newcastle, Preston, Sheffield and Australia.

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## Investment Management

## Unique Opportunity

Major investment organisation, with subs[tantial] *international* interests particularly in the [United] States, seeks investment manager, aged 30 [...] with significant investment experience for [an excep]tionally interesting appointment.

Nationality unimportant but languages, parti[cularly] German or French, an advantage althoug[h not] essential.

Interviews can be arranged in London, Edi[nburgh] or on the Continent.

Personal history, including details of recent e[xperience] and responsibilities, which will be treated [in the] strictest confidence, to Box A.5396, Financial [Times,] 10, Cannon Street, EC4P 4BY.

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Petbow Holdings Limited

*Europe's most successful generating set manufacturer wishes to appoint a*

## GROUP FINANCIAL DIRECTOR

The successful candidate will be a qualified chartered or cost and management accountant aged between 35 and 45 whose experience has been gained primarily in manufacturing or who has a genuine feel for and understanding of manufacturing industry.

Experience must have included financial management at Board level, the handling of financing arrangements and contacts with Banks and other financial institutions, including the City, and personal involvement in acquisitions. A substantial five-figure salary is negotiable.

*Interested candidates are invited to write for further particulars to the company's recruitment advisers:-*

**MSMS** INTERNATIONAL LIMITED
115 Mount Street, Mayfair, London W1Y 5HD. Tel: 01-493 6807.

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## FINANCIAL AND ESTATES CONTROLLER

The British Medical Association is looking for an experienced accountant with management abilities, for the post of Financial and Estates Controller at the Association's head office in London. His or her principal responsibility will be to manage the finances of the Association, and to present and interpret financial and management information. He or she will also have responsibility for managing the Association's estates and for some general administration. The successful candidate, who is likely to be aged between 40 and 50, will hold a recognised accountancy qualification and will have had considerable experience in *accounting, financial management*, business administration, and preferably also estate management.

The starting salary will be at least £9,000 per annum.

Applications should be sent to the Secretary, British Medical Association, Tavistock Square, London WC1, by 1 March 1976.

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## APPOINTMENTS WANTED

### TOO YOUNG TO RETIRE

Former Diplomat and Management Consultant seeks interesting employment, including part-time and/or temporary. Speaks French, German, Italian and Spanish. Can be entrusted with confidential assignments requiring quick assimilation of the facts and effective representation at top levels. Travel or residence Western Europe acceptable

*TELEPHONE 01-748 7053*

LONDON ACCOUNTANT available to write up books, 1-2 days weekly. Tel. 01-340 8793.

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## *Foreign Exchange Dealer*

If you are a capable Foreign Exchange Dealer with about four years active market experience, you could be a candidate to join our dealing team.

Preferably, you should be 25-30 years of age and have some general banking experience.

Write or telephone our Company Secretary, Mr. D. R. Ledger today.

JOHNSON MATTHEY BANKERS
Member of the London Gold Market
5 LLOYDS AVENUE LONDON EC3N 3DB 01-481 3181

# GENERAL APPOINTMENTS

## Orion Bank £3,500—£4,500

### Banker
### Eurocurrency Loans

Orion Bank, a leading multinational investment bank owned by six of the world's major banks, requires a young banker able to demonstrate management potential to join the Commercial Loans department.

Applicants will probably be between 25-30 years of age, and should have gained practical experience in the application of basic techniques of analysis of financial statements and credit information within a first-class banking environment; a working knowledge of syndicated eurocurrency loan documentation and administration would also be beneficial.

The position should appeal to those who possess a sound academic background, preferably augmented by relevant professional studies and who are keen to acquire an understanding of the wider aspects of medium term lending and credit analysis.

Salary according to experience, non-contributory pension fund, house mortgage facilities at preferential rates. Applications, which will be treated in confidence, should be accompanied by a full curriculum vitae and sent to:—

Keith Wood
Orion Bank Limited
1 London Wall, London EC2Y 5JX
01-600 6222

ORION

## Director Legal Affairs

Responsibilities include counselling senior management, directing and supervising litigation, contracts and real estate, for multi-national operations. In carrying out these matters, the Director is supported by internal lawyers plus in-country external lawyers. The position reports to Vice President and General Manager.

It is essential that applicants be either a solicitor or barrister, with substantial appropriate international commercial/legal experience, including a role as a lawyer in a multi-national organisation. Fluency in a European language would be an advantage.

Based at our Isleworth Office the post requires frequent travel throughout the area of operation and the capacity to react quickly and effectively in a dynamic business environment.

Applications in writing, are expected from candidates currently earning a minimum of £8,000, will identify a progression appropriate to the demands of the position and should be forwarded to:

Hertz

P. R. Gill, Director-Personnel,
Hertz Europe Ltd.,
Isleworth House,
Great West Road,
Isleworth, Middlesex, TW7 5JF.

Sime Darby

## Property Manager

### Singapore

Sime Darby, an international group, requires a Property Manager to join its Singapore Division and assume responsibility for the management of a recently-built 750,000 sq. ft. complex, comprising shops, offices and residential property.

The successful applicant, who will have had experience of managing a similar complex, can expect a salary and company benefits reflecting the importance of the job.

Phone Mr. B. Judd (01-626 9822) on Monday 26th or Tuesday 27th January, to arrange an appointment.

**Sime Darby London Limited,**
**19 Leadenhall Street, London, EC3 1NN**

## JARDINE FLEMING—HONG KONG

*REQUIRES . . .*

### INVESTMENT MANAGER

Jardine Fleming & Co. Ltd., a leading Merchant Bank in Hong Kong with offices in Tokyo, Manila and Singapore, requires an Investment Manager based in Hong Kong for its Japanese portfolio and research department.

The candidate should be aged between 27-32, with a proven record of investment management. A knowledge of Japanese securities would be an advantage but it is not essential for the right person.

The salary is negotiable based on experience. Fringe benefits include subsidised accommodation, 6 weeks holiday p.a., and travel costs paid for return to U.K. annually.

*Replies, which will be treated in confidence should be sent with a curriculum vitae to:*

Tom Phillips
ROBERT FLEMING HOLDINGS LTD.
8, Crosby Square,
London EC3A 6AN. Tel: 01-283 2400

## ROBERT FLEMING

### VACANCY IN INVESTMENT DEPARTMENT

The successful applicant will join a small team responsible for advising the merchant bank and external clients on North American Investments.

The candidates, who should be between 25-30, will be required to have had three or more years of experience in Accountancy or Investment Analysis. A knowledge of North American Securities would be helpful but not essential.

An attractive salary according to age and experience, with the usual fringe benefits, will be offered.

*Please write enclosing curriculum vitae to:—*

**Tom Phillips**
**ROBERT FLEMING & CO. LTD.**
**8, Crosby Square**
**London EC3A 6AN**
**or telephone 01-283 2400**

## Management Recruitment
EXECUTIVE SEARCH & SELECTION CONSULTANTS

## Shields Model Roland Company

### to £12,000 + bonus

Our client wishes to recruit an ambitious Registered Representative who already has connections in the Investment Departments of the major Financial Institutions. Experience and high level contacts within this field are more relevent than age, although it is expected to fill the position from within the 30 to 50 year age range. This is a senior position and the successful candidate can look forward to financial advancement within this progressive organisation.

*Telephone London office, 01-836 3911 (24 hr. answering service) for an application form, quoting Ref. MA/211. Management Recruitment, 55-56 St. Martin's Lane, London WC2N 4EA.*

London · Birmingham · Manchester · Leeds · Paris

## LEADING STOCKBROKERS

near Liverpool Street, require an experienced

### SENIOR CASHIER

age 25-35, to assume control of their daily banking arrangements.

Commencing salary negotiable up to £3,000 p.a. plus pension scheme and annual bonus.

*Write stating age and previous experience to:*
*Box A.5390, Financial Times, 10, Cannon Street, EC4P 4BY.*

## COMMODITY DEALER

An expanding city commodity brokerage company specialising in dealing for private and institutional investors has an opening for a senior dealer. The ideal candidates, in the age range 25-35, should have some expertise in these markets, and the ability to build up a clientele of their own. Salary and terms of employment are entirely negotiable but to a certain extent will depend on age, experience and the ability to generate business. Applicants for this important position should send full particulars of past experience, which will be treated in total confidence, to: Box A.5393, Financial Times, 10, Cannon Street EC4P 4BY.

## AUSTRALIAN STOCKBROKER

### INSTITUTIONAL DEALER

e are seeking an experienced Institutional Dealer to join the staff of our London Office. A sound knowledge of the Australian market is essential. e successful applicant will become part of a small team servicing the m's broking associates and institutional clients in various investment centres ound the world. Subsequently, the opportunity may arise to transfer to the Firm's Australian operations.

PREFERRED AGE: 25-35
SALARY: FULLY COMPETITIVE

*Applications in writing to:—MR. G. N. WEBB,*
POTTER PARTNERS
(Incorporating Ian Potter & Co.)
*Members of The Stock Exchange of Melbourne Ltd.,*
Estates House, 66 Gresham Street, LONDON EC2V 7AP

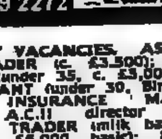
OUTTS AREERS ONSULTANCY FOR EXECUTIVES

Over £5,000 ?
Under £12,000 ?
Over 27 ?
Under 55 ?

**JOB HUNTING ?**

If yes to all these we are 90% certain we can help you.

Don't waste time, find out what we do. Telephone Coutts Careers Consultancy. 01-839 2271. *Or write to:*



[illegible]
TRAFALGAR SQUARE
LONDON WC2

01-839 2272

COMMODITY VACANCIES. ASSISTANT OILS TRADER (c. £3,500); COFFEE TRADER (under 35, c. £3,000 basic); ACCOUNTANT (under 30, Birmingham based); INSURANCE MANAGER (marine - A.C.II director status); GENERAL TRADER (milk based products, c. £6,000 basic); FUTURES MANAGER (c. £12,000 basic). Write 3or tel. Charterhouse Appointments, 9, Great Newport Street, London, W.C.2, 01-836 2377. Recruitment Specialists for the Commodity Market.

### LITIGATION SOLICITOR

possibly recently admitted but with sound grounding in litigation wanted by fast growing, progressive firm for busy office in outer West London suburb. Modern cheerful working conditions, above average salary and superb early prospects. Must be responsible, interested in wide variety and capable of handling volume without neglect.

Telephone Mr. Hart on 01-452 [illegible].

## PPOINTMENTS WANTED

### JUNIOR BANKING EXECUTIVE

25 with six years extensive [illegible]ence in Banking business in [illegible]furt, Zurich and Luxembourg. [illegible]alised in credit analysis, Accounting and Foreign Exchange dealing. [illegible]t German and French. Seeks new [illegible]on with Bank, Financial Group [illegible]port import firm in City of [illegible]on. Write Box A.5395, Financial [illegible]s, 10, Cannon Street, EC4P 4BY.

### MEMBER STOCK EXCHANGE

Experienced private client executive with expanding investment clientele seeks commission sharing position with efficient firm. Only 20% time needed for own business, therefore in exchange for retainer able to service additional clients. Write Box A5396, Financial Times, 10, Cannon Street, EC4P 4BY

## OMPANY NOTICES

### PECHINEY UGINE KUHLMANN INTERNATIONAL N.V.

[illegible]any registered in the Netherlands Dutch law with a capital of 10,000,000.—
[illegible]gistered office in Amsterdam, 214 Herengracht.

[illegible]olders of the EUA 20,000,000.— by PECHINEY UGINE [illegible]MANN INTERNATIONAL N.V. —1974/1989 are hereby in[illegible] that the amortization of the 250,000.—redeemable on 22 [illegible]ary 1976 has been fully carried [illegible]y repurchase on the market.
[illegible]nt of interests due on 22 February 1976 will take place at the [illegible]ing Banks:
[illegible]EDIT LYONNAIS, Luxembourg
[illegible]IETBANK S.A., Luxembourgeoise, Luxembourg
[illegible]DIT COMMERCIAL DE FRANCE, Paris
[illegible]SON, HELDRING & PIERSON, Amsterdam
[illegible]NQUE BRUXELLES-LAMBERT, Brussels
[illegible]ts remaining in circulation after [illegible]econd redemption: EUA 19,500,000.—

The fiscal Agent
[illegible]EDIT LYONNAIS-LUXEMBOURG

### [illegible]ER OATS AND NATIONAL [illegible]LLING COMPANY LIMITED
([illegible]corporated in the Republic of South Africa)

TO THE HOLDERS OF 5% PER [illegible] CUMULATIVE PREFERENCE SHARES

[illegible] to the dividend notice adver[illegible] the press on the 5th December, [illegible] the conversion rate applicable to [illegible]s in United Kingdom currency in [illegible] of the abovementioned dividend [illegible]R1.75502 equivalent to 3.133060 [illegible].
[illegible] effective rate of South African [illegible]ident Shareholders' Tax is 15 [illegible].

For and on behalf of
AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
D. H. S. Pattison

[illegible] Office: [illegible]born Viaduct. [illegible]A1. [illegible] the United Kingdom Transfer [illegible]es: [illegible] Consolidated Limited. [illegible]y 102, [illegible] House. [illegible] Kent, [illegible]. [illegible]uary, 1976.

### [illegible]PENCER CLARK METAL INDUSTRIES LIMITED

[illegible]ransfer Books will be closed from [illegible] March, 1976, to 1st April, 1976, [illegible]tes inclusive.

### CHILEAN EXTERNAL LONG TERM DEBT: LAW NO. 8962

### CHILEAN GOVERNMENT 6% LOAN 1926

NOTICE IS HEREBY GIVEN that for the Sinking Fund of the above Loan for February 1976, bonds for a nominal amount of £2,400 have been purchased and £27,600 drawn for redemption.

The following are the numbers of the bonds drawn for redemption at par on 1st February 1976, after which date all interest thereon will cease.

5 BONDS OF SERIES A £1,000
NOMINAL VALUE EACH = £5,000

| | | | | |
|---|---|---|---|---|
| 118 | 368 | 475 | 530 | 677 |

12 BONDS OF SERIES B £500
NOMINAL VALUE EACH = £6,000

| | | | | |
|---|---|---|---|---|
| 50 | 180 | 209 | 664 | 795 |
| 864 | 908 | 950 | 1126 | 1181 |
| 1292 | 1365 | | | |

166 BONDS OF SERIES C £100
NOMINAL VALUE EACH = £16,600

| | | | | |
|---|---|---|---|---|
| 5 | 86 | 79 | 148 | 299 |
| 371 | 430 | 540 | 541 | 633 |
| 1062 | 1136 | 1224 | 1277 | 1638 |
| 1650 | 1829 | 1940 | 1991 | 2487 |
| 2784 | 3107 | 3120 | 3412 | 3480 |
| 3757 | 3826 | 3894 | 4019 | 4218 |
| 4247 | 4352 | 4408 | 4426 | 4467 |
| 4527 | 4825 | 4673 | 4762 | 4771 |
| 4772 | 4843 | 4899 | 4995 | 5236 |
| 5300 | 5496 | 5526 | 5549 | 5582 |
| 5662 | 5719 | 5775 | 5934 | 5993 |
| 6069 | 6093 | 6112 | 6113 | 6128 |
| 6132 | 6147 | 6158 | 6176 | 6184 |
| 6185 | 6203 | 6291 | 6320 | 6385 |
| 6557 | 6600 | 6657 | 6692 | 6801 |
| 6974 | 7488 | 7673 | 7786 | 7853 |
| 7956 | 7985 | 8022 | 8027 | 8067 |
| 8124 | 8166 | 8231 | 8283 | 8455 |
| 8469 | 8687 | 8696 | 8754 | 8784 |
| 8890 | 8923 | 8927 | 9061 | 9167 |
| 9225 | 9226 | 9453 | 9472 | 9509 |
| 9541 | 9604 | 9737 | 9762 | 9793 |
| 9830 | 9905 | 9917 | 9981 | 10042 |
| 10056 | 10065 | 10066 | 10078 | 10089 |
| 10097 | 10127 | 10206 | 10457 | 10531 |
| 10538 | 10580 | 10606 | 10750 | 10821 |
| 10833 | 10838 | 10842 | 10986 | 10931 |
| 10932 | 10959 | 10967 | 11060 | 11151 |
| 11170 | 11176 | 11178 | 11223 | 11236 |
| 11315 | 11473 | 11659 | 11665 | 11712 |
| 11740 | 11952 | 12187 | 12218 | 12298 |
| 12460 | 12477 | 12681 | 12749 | 13068 |
| 13255 | 13379 | 13451 | 13670 | 13708 |
| 13887 | | | | |

The above bonds should be presented at the London Offices of Lloyds Bank International Limited, listed on the appropriate forms and must bear all coupons subsequent to 1st February 1976, otherwise the amount of the missing coupons will be deducted from the principal moneys.

## PUBLIC NOTICES

BATH CITY COUNCIL
£0.6m. issued 21/1/76, due 21/4/76 at 9⅝%. Applications £6.5m. Outstanding £0.55m.

WALSALL METROPOLITAN BOROUGH COUNCIL
£2,700,000 Bills issued 21st January, 1976, due 21st April, 1976, at a rate of 9[illegible]%. Applications totalled £29,500,000. These are the only Bills outstanding.

## CINEMAS (Cont.)

ODEON LEICESTER SQUARE (930 6111) Charles Bronson in Alistair Maclean's BREAKHEART PASS (A) Cont. progs. Wk. 1.00, 3.20, 5.50, 8.25. Sun. 3.20, 5.45, 8.20. Late show Fri. and Sat. 11.45.

ODEON HAYMARKET (930 2738/2771) Dustin Hoffman "LENNY" (X) Sep. progs. Wk. 2.00, 5.15, 8.30. Sun. 4.30, 8.30. Late show Fri. and Sat. 11.45. All seats may be booked.

ODEON MARBLE ARCH (723 2011/2). GREAT EXPECTATIONS (U). Sep. Progs. Wks. 12.45, 4.15, 8.00. Sun. 4.15, 8.00. Late Show Fri. & Sat. 11.45. All seats may be booked.

PLAZA 1 & 2, Regent St., S.W.1. 839 6494. Sept. perfs. All seats bookable. Box Office 11 a.m. to 7 p.m. (not Suns.) [illegible]

[illegible]

## ART GALLERIES

CARTOON ORIGINALS GALLERY. Large selection of U.K.'s leading cartoonists. The perfect present £6-£40. 5a, Gloucester Road, S.W.7. 01-584 2001.

REDFERN GALLERY. XX CENTURY GRAPHICS. December-January. 20, Cork Street, London, W.1.

ROYAL ACADEMY OF ARTS. THE GOLDEN AGE OF SPANISH PAINTING. Until 15 March. Tues.-Fri. 9 a.m.-9 p.m. Sat., Sun., Mon. 9 a.m.-6 p.m. Last adm. 45 mins. before closing. Adm. 90p. 50p on Mondays, and after 5.30 p.m. on Tues.-Fri. and until 1.45 p.m. on Sun. Students and pensioners half price.

ANTHROPOS GALLERY. Specialists in Ethnic Arts. 65-67, Monmouth Street, Upper St. Martin's Lane, W.C.2. 01-836 3182. Europe's finest collection of New Guinea, Papuan and Eskimo Art. A new exhibition. Mon.-Wed. 10-3. Thur.-Sat. 10-12 midnight, Sunday 1-7. New Exhibition of SHONO SCULPTURES.

AGNEW GALLERY. 43 Old Bond St., W.1. 629 6176. 103rd ANNUAL WATER-COLOUR EXHIBITION. Until 20 Feb. Mon.-Fri. 9.30-5.30. Thurs. until 7.

FIELDBOURNE GALLERIES. 63, Queen's Grove, N.W.8. 586 3600. ENGLISH AND SCOTTISH PAINTINGS 75.

## CLUBS

THE GASLIGHT—*Your discreet venue for tonight's prestige Entertainment.* Friendly danceable girls, superb floor show every 20 minutes. No membership required for out-of-town or overseas visitors. Entrance £3.00. 4, Duke of York St., S.W.1. Reservations 734 1071 daytime, 930 1648 after 8 p.m.

EVE, 189 Regent St. 734 0557. A la carte or All-in Menu. 3 Spectacular Floor Shows 10.45, 12.45, 1.45 and music of Johnny Hawkesworth and Friends.

GARGOYLE, 69, Dean St., London, W.1. STRIPTEASE FLOORSHOW SEX UNLIMITED Show at midnight and 1 a.m. Hostesses. Monday-Friday. Closed Sats. 437 6455.

## RESTAURANTS

When in *London* visit

**PRUNIER**

72 St. James's Street, London, SW1
01-493 1393

*French* cooking at its best—
wonderful sea-food,
exquisite wines, no music.

Open every day including Sundays
(except Bank Holidays)

## LEGAL NOTICES

No. 11 of 1975

In the HIGH COURT OF JUSTICE Chancery Division, Group A. Leeds District Registry. In the Matter of WESTERN RODEOS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 19th day of December 1975, presented to the said Court by YORKSHIRE POST NEWSPAPERS LIMITED whose registered office is at Wellington Street, Leeds 1 in the County of West York, Newspaper Proprietors, and that the said Petition is directed to be heard before the Court sitting at County Court House, Albion Place, Leeds 1, on the 16th day of February 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

DIBB, LUPTON & CO.,
6, Butts Court,
Leeds, LS1 5JX.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of February 1976.

No. 00181 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the matter of STARR (FRUITERERS) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 14th day of January 1976, presented to the said Court by ARTHUR HUTCHINSON and ARTHUR JAMES HUTCHINSON trading as A. & A. J. HUTCHINSON (a firm) Fruiterers of 183/185 *Spitalfields Market, London, E.1.* And that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 16th day of February 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing or in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

MARTIN & NICHOLSON,
9/10 King's Bench Walk,
Temple, London, E.C.4.
Solicitors for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the *above-named, notice in writing of his intention* so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of February 1976.

No. 00114 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of THE HEMDALE GROUP LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of January, 1976, presented to the said Court by BRIAN CARTHELL PUBLIC RELATIONS LIMITED of 388a Church Street, Blackpool, Lancashire, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 16th day of February 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

GUMBINER & CO.,
[illegible] High Holborn,
London, WC1V [illegible];

Agents for:

BARKER BOOTH & EASTWOOD,
16 Edward Street,
Blackpool, FY1 1BQ
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of February 1976.

## CONTRACTS AND TENDERS

SYRIAN STORING AND DISTRIBUTING CO.
PETROLEUM PRODUCTS
"SADCOP"
No. 5025/23

21
Date: 30-12-1975

ADVERTISEMENT FOR 2nd TIME FOR CALL OF OFFERS OF TOP URGENCY

The Syrian Storing and Distributing Company, Petroleum Products, "SADCOP" announce Call of Offers for contractual agreement for purchase of steel pipes supplements, Flanges, valves together with wrapping materials within the following conditions.

1. Place for Obtaining Cahier de Charges: SADCOP's Head Office in Damascus Finance Directorate/Contracts Dept., free of charge.
2. [illegible]
   Initial guarantee: 2%. Two per cent. of the value of the offer.
   Final guarantee: 5%. Five per cent. of the final award's value.
3. Delivery of Offers:
   Offers in sealed envelopes are delivered to the Registration Office of SADCOP H.Q. POB (.40), Damascus, by hand or registered mail.
4. Delay for Submission of Offers:
   Until end of official working hours of Wednesday 25-2-76 and every offer arriving after this date will be ignored.
5. Opening of Offers:
   Offers will be opened on Thursday 26-2-76 at 10.00 hours.
6. Validity of Offers:
   Offers to be valid for 60 days.
7. Fine for Delay:
   At 2‰. Two per thousand of the total value of contract for each day of delay.
8. Delivery Period:
   Delivery programme starting soonest following opening and advising your Letter of Credit, at SADCOP's option.
9. Priority will be awarded to earliest delivery and abiding with above programme delivery.

General Manager,
MOHAMED NADIM SADLEH.

## APPOINTMENTS

# Senior post at GEC head office for M. R. Bates

Mr. M. R. Bates has joined the GEC head office staff in Stanhope Gate, London, as senior commercial director. Mr. Bates was formerly a managing director of Brandts, and head of its industrial and commercial division. Previously, from 1969-70, he was an executive of the Industrial Reorganisation Corporation.

★

Viscount Boyne, who became chairman of the West Midlands and Wales Regional Board of the NATIONAL WESTMINSTER BANK on the recent retirement of Sir Michael W. Turner, has been appointed a director of the bank. Mr. P. C. Coleclough has become chairman of the South-East Regional Board in place of Mr. E. R. Courage, who retires on March 1. Mr. Coleclough also becomes a director of the bank. Mr. R. A. E. Herbert has been made chairman of the South-West Regional Board, to succeed Mr. J. F. Robinson, who retires as chairman on March 1, but remains a member of the Regional Board.

★

Following the decision of Mr. C. F. N. Hope, chairman and managing director of COVRAD, to leave the company to take up a senior post with the Dunlop Group, the following appointments have been made: Mr. A. D. J. Carratu as chairman of Covrad, and Mr. A. C. McWilliam as managing director of that company and chairman of Coventry Motor Fittings. The appointments take effect from February 1.

★

Mr. James P. H. Mackay has been appointed a non-executive director of STENHOUSE HOLDINGS. He has been an adviser to the group since 1957.

★

Mr. William McMeekin, Mr. Geoffrey Walker and Mr. John Wrighton have been appointed to the Board of STEPHENSON CLARKE SHIPPING, part of the Powell Duffryn Group.

★

Mr. Gordon Thomson and Mr. Malcolm Simpson have been appointed to the Board of GREGGS BAKERIES. Mr. John McMahon has joined the Board of Greggs of Gosforth.

★

Mr. R. Sollett has been *appointed managing director of* the manufacturing division of QUINTON HAZELL. He was previously manufacturing director of Automotive Products.

★

Mr. Charles Gelvaris, formerly a regional co-ordinator with British Petroleum, has joined the VARDINOYANNIS GROUP. He will be located in London with special responsibilities within the group's international oil business. Principal activities of the group are through Motor Oil (Hellas) Corinth Refineries S.A., Varnima and Seka.

★

Mr. R. D. Gee, chairman of Ametalco Trading, has been appointed a director of the METAL MARKET AND EXCHANGE.

★

Mr. David M. Black has been appointed sales director of HINDLE VALVES, a Lake and Elliot group company. Mr. Iain M. Chance has become sales manager, international.

★

Mr. W. J. Blyth has been appointed commercial director of the construction division of TURRIFF CORPORATION.

★

Because of increasing commitments as chairman and chief executive of Excess Insurance Group, Mr. William L. Samengo-Turner is resigning as chairman of ABBEY LIFE ASSURANCE, but will continue as a director. Mr. R. F. Richardson, managing director of Abbey Life, is appointed chairman of the Board.

★

Mr. C. J. Walliker is to become group director of manpower of the DELTA METAL COMPANY in April to succeed Mr. Richard O'Brien who is leaving the company to be chairman of the Manpower Services Commission. Mr. Walliker is at present financial director of the company's Astonia Division.

★

Mr. B. N. Barclay has been appointed by the BRITISH AIRPORTS AUTHORITY as chief of airside safety and operations at London's Gatwick Airport from February 1. This appointment follows the retirement of Mr. P. F. Eames who has left the BAA to take up a post as technical adviser to the director of Civil Aviation at Bahrain.

★

Mr. Malcolm Filsell has been appointed chief engineer of FREIGHTLINERS in place of Mr. Jack Billington, who has retired but remains chairman of SCIDS, an associate company.

★

Mr. W. P. W. Anderson, chairman and chief executive of CARPETS INTERNATIONAL, is to retire as chief executive on June 30 on reaching the age of 65. Mr. Anderson is to continue as chairman but in a non-executive capacity.

Arrangements have been made to ensure a smooth hand over of duties, and the continuity of senior management will be maintained when the following appointments take effect on July 1: Mr. James M. Carpenter and Mr. Jonathan P. Crossley, joint vice-chairmen; Mr. Arthur Whitehead, chief executive; Mr. Roger Wake, the present vice-chairman, to relinquish that position but remain a non-executive director.

★

Mr. S. N. Carmichael is now a director of the ALLIANCE BOX COMPANY (SCOTLAND) and will take up his duties as general manager from February 1.

★

Miss M. P. Hennings has been elected to the Board of SCAN (Stock Market Computer Answering Network).

★

Mr. David Mair has been appointed to the Board of UNICHEM. He has served on the organisation's Scottish Regional Committee for a year.

★

Mr. Gordon Ratcliffe, a director of JOHN LAING CONSTRUCTION, has been appointed director of group marketing services. He has also assumed executive responsibility for group public relations and retains his responsibilities for the Laing American companies.

★

Mr. Colin Hope has been appointed director, engineering group at DUNLOP, based at Coventry, in succession to Mr. John Dent, who will be moving to London to assume responsibility for all non-tyre operations in the U.K. (Engineering Group, Consumer Group and the Dunlop-Angus Industrial Group) from February 1. Mr. Dent is a director of Dunlop Holdings. Mr. Hope joins Dunlop from the Associated Engineering Group where he was chairman and managing director of Covrad.

★

Mr. Alec J. Sanders has been *appointed by* ALFRED HERBERT as managing director for its machine tool plant at Edgwick, Coventry. Mr. Sanders was until recently director of manufacturing staffs and production engineering at Leyland Cars (British Leyland). He will take up his new appointment on February 2.

## HOME CONTRACTS

# Whessoe Group wins £1m. CEGB pipework

WHESSOE GROUP, through its subsidiary Aiton and Co., Derby, has secured a contract worth from about £1m. from Boving and Co., for the design, supply and installation of pipework for the CEGB's Dinorwic pumped storage hydro electric generating station in Snowdonia, North Wales.

★

JOHN LAING CONSTRUCTION has received a contract worth more than £1m. to build an extension to Sunderland's telephone exchange from the property services agency of the Department of the Environment on behalf of the Post Office. The five storey building, which will take two years to complete, will house office staff on the top two floors and electronic exchange equipment on lower levels.

★

ALEXANDER HALL AND SON (BUILDERS), part of Aberdeen Construction Group, has received a contract from the City of Aberdeen District Council worth £893,264 for the erection of 121 houses at Sheddocksley, Aberdeen.

★

TASK CONSTRUCTION, a subsidiary of the Rush and Tompkins Group, has been awarded an £844,000 contract by Barclays Bank to build a seven-storey reinforced concrete framed office block at Middlesbrough. The building will have a banking hall and general bank offices on the ground floor. Upper floor office space will be let.

★

WELLMAN INCANDESCENT has received two orders from the British Steel Corporation to supply lift-off furnace equipment for its strip mills division at Llanwern, South Wales, and the *special steels division in* Sheffield.

★

LINK ELECTRONICS, Andover, Hants, has been awarded orders worth £200,000 by the BBC for colour television cameras and a mobile outside broadcast unit.

★

MARINE AND INDUSTRIAL GENERATORS has received an order from the Southern Water Authority for 57 generating sets, worth £270, 000.

★

H. H. ROBERTSON (U.K.) of Ellesmere Port, Merseyside, has *received a contract worth £750,000* for the supply and fixing of 3,800 glass-reinforced polyester resin cladding panels for the 30 buildings of the Royal Navy's inland training establishment HMS Raleigh at Devonport, Plymouth.

★

EKCO INSTRUMENTS, Southend, part of the Pye of Cambridge Group, has been awarded a contract worth more than £150,000 by the Ministry of Defence for production of the miss distance scoring system. This measures the miss distance of ground-to-air or air-to-air firings at a towed target. The scoring information is telemetered instantaneously to give a miss distance readout to the controlling ground station and to the target-towing aircraft.

★

EMI SOUND AND VISION EQUIPMENT, Hayes, Middlesex, has won contracts worth £140,000 for the supply and installation of remotely-controlled closed-circuit television traffic surveillance systems at Coventry and Wolverhampton by West Midlands County Council. Both systems will *monitor* both the Coventry inner ring-road and the Wolverhampton central city area.

★

ROTORK CONTROLS, Bath, has received a contract worth £140,000 for damper acuators and gear units for boiler control systems at Peterhead power station, Scotland. The order was placed by Babcock and Wilcox (Operations) one of the main contractors, on behalf of the North of Scotland Hydro-Electric Board.

★

MAXSEAL, Bristol, has been awarded orders worth £140,000 for pneumatic actuators and solenoid valves. These will be fitted on the North Sea Thistle and Ninian platforms.

★

GEORGE WIMPEY AND CO. has won a contract worth more than £130,000 for construction of a 740 sq. metres extension to the existing General Motors factory in Peterhead, Aberdeenshire.

★

CHERRY TREE MACHINE COMPANY, of Blackburn, has been awarded a contract to re-equip the group laundry at the Royal Northern Infirmary, Inverness, at a cost of about £100,000.

# WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

## Early reaction but above the worst

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Jan. 21.

A FAIRLY SHARP reaction hit Wall Street to-day, but the Stock Market was moving up from the day's lows.

After falling 11.02 to 938.84 in the first hour of trading, the Dow Jones Industrial Average partially recovered to 944.43 by 1 p.m., making a net loss of 5.43. The NYSE All Common Index came back 35 cents to $51.98, while more than 1,000 issues pointed lower compared with less than 300 gainers. Trading volume, however, decreased 2.68m. shares to 19.24m. compared with 1 p.m. yesterday.

**Closing prices and market reports were not available for this edition.**

The setback, which comes on the heels of sharp market gains since the beginning of the year, was attributed to profit-taking, concern over events in Lebanon and the disarray in foreign currency trading following Italy's decision to shutdown its Foreign Exchange operations.

The move by Italy was made to stem the wave of speculation against the Lira that has cost the nation more than $500m. in the past three weeks.

Glamours, Blue Chips and other recent favourites encountered most of the selling pressure.

Burroughs were off $1 at $101½, although it raised the quarterly dividend to 17 cents a share from 15 cents.

IBM shed $1½ to $251.

Banking shares, including Citicorp, Chase Manhattan, Manufacturers Hanover, surrendered fractions a day after reporting sharply lower fourth quarter profits.

Eastman Kodak lost $1½ to $115½ and MCA were down $1 to $73½.

Reynolds Metals, however, moved up $1½ to $31½ despite lower fourth quarter profits.

Texas Instruments gained $1½ to $114½.

Baxter Laboratories dropped $2½ to $40.

The American SE Market Value Index came back 0.28 to 92.72, while the trading volume decreased 140,000 shares to 1.62m. compared with 1 p.m. yesterday.

### OTHER MARKETS

### Canada lower

Canadian Stock Markets turned mildly lower yesterday morning.

The Industrial Share Index lost 1.34 to 183.02, Base Metals 0.54 to 70.82, Western Oils 0.99 to 209.57, Utilities 0.53 to 133.92 and Banks 1.28 to 241.75.

But the Gold Share Index put on 1.22 to 245.30 and Papers firmed 0.02 to 112.13.

PARIS — Mostly mixed in moderate trading, reflecting general apprehension over the weakness of the franc.

Banks, Constructions, Stores, Chemicals and Textiles were weaker, while Motors, Rubbers and Metals gained ground. Oils were steady.

Citroen gained Frs. 1.60 to 46.20 on its higher 1975 turnover.

Foreign sector generally weaker, despite good performances in Gold Mines and Coppers.

BRUSSELS—Mixed with a slight *majority of gains in quiet trading.*

U.S. values rose, U.K. and Canadian stocks were little changed, French issues mixed, while West German and Dutch shares were lower. Gold Mines rose.

AMSTERDAM — Predominantly lower.

Banks and Insurances were weak — Amsterdam-Rotterdam Bank were down Fls.1.20 and Nationale-Nederlanden Fls.2.

Transportations were narrowly *mixed.*

Dutch Industrials declined over a broad front. Van Berkel fell Fls.4, Bols Distilleries Fls.1.50, Van Gelder Paper Mills Fls.3.20, KBB Beheer Department Stores Fls.1, and Naarden Flavors and Fragrances Fls.1.50. Giessen de Noord Shipbuilding at 382 dropped Fls.18.

Bonds were weak. Government Loans shed up to Fls.0.10.

GERMANY—Broadly lower, reflecting domestic and foreign political uncertainties. Trading was moderate and mostly consisted of evening-up operations.

Banks lost ground, Electricals were weaker. Chemicals were lower, as were Motors, Machine Makers, Steels and Metals.

*Minings were weaker, Utilities* mixed to lower, Stores fell and Breweries declined.

The Domestic Bond Market was mixed with movements ranging from 20 Pfenning gains to 25 Pfennig losses. Foreign Mark loans were also *mixed.*

OSLO—Banks eased slightly, Insurances were steady, Industrials barely steady, while Shippings were firmer.

VIENNA—Slight majority of losses.

COPENHAGEN—Higher in very active trading.

SWITZERLAND—Lower in very active trading. All sectors participated in the decline.

State Bonds continued to rise.

Dollar stocks were generally slightly firmer in active dealings. Dutch Internationals remained narrowly mixed in a minimal turnover. Germans further declined

MILAN—Mixed to lower in nervous uncertain trading, influenced by the closure of the Italian Foreign Exchange Market and the deepening Rome political crisis.

Bonds were generally weak.

HONG KONG—Lower in decreased trading.

Hong Kong Bank were down 20 cents to $HK19.70, Hong Kong Land 10 cents to $HK7.75, Wheelock "A" 10 cents to $HK3.85, Hong Kong Electric 7½ cents to $HK4.525 and China Light 10 cents to $HK18.40.

Jardine were up 30 cents to $HK25.70.

AUSTRALIA—Mixed in quiet trading.

Uraniums eased on profit-taking, with Pancontinental falling 20 cents to $A10.20, Peko-Wallsend 15 cents to 4.45 and Queensland Mines 14 cents to 2.48.

Golds continued to weaken. Emperor lost 3 cents to 60 cents and GMK fell 13 cents to 35 cents.

Oils were depressed. Woodside Burmah lost 3 cents to 1.27.

Grace Bros. put on 7 cents to 2.37.

Banks were particularly strong with Bank of New South Wales jumping 20 cents to 7.00 and CBA rose 5 cents to 3.15.

Financiers also firmed, with AGC up 5 cents to 2.05 and ASL 2 cents to 39 cents.

Mercantile Mutual were up 3 cents at 3.28.

TOKYO—Slightly lower. Volume 350m. (320m.) shares.

Blue Chips and Speculatives firmed initially, with investors encouraged by the cut in the Call Money rate and the overnight rise on Wall Street. Investors reacted calmly to the closure of the Italian Foreign Exchange Market.

Honda Motor lost Y11 to Y721, Heiwa Real Estate Y10 to Y428, Tokio Marine Y3 to Y615 and Pioneer Y30 to Y2,320.

JOHANNESBURG—Gold shares firmed, despite the lower bullion price.

Libanon gained 15 cents to R865 and Loraine 7 cents to R157.

Financial Minings were steady. Coppers were easier, with Messina off 5 cents at R3.90. Platinums lost up to 7 cents.

Industrials were little changed.

## Indices

### NEW YORK

#### DOW JONES AVERAGES

| Close | Home Bonds | Transport | Indus. | Util. | Trading volume† 000's |
|---|---|---|---|---|---|
| Jan. 20 | 70.75 | 197.42 | 949.26 | 90.39 | 36,690 |
| 19 | 70.67 | 196.02 | 943.72 | 90.30 | 29,450 |
| 16 | 70.68 | 191.32 | 929.63 | 89.95 | 26,940 |
| 15 | 70.54 | 190.53 | 924.51 | 89.34 | 32,450 |
| 14 | 70.55 | 190.69 | 929.63 | 89.34 | 30,340 |
| 13 | 70.27 | 187.11 | 912.94 | 88.29 | 34,630 |
| 12 | 70.06 | 183.41 | 922.39 | 88.70 | 30,440 |
| 9 | 69.92 | 185.21 | 911.13 | 87.97 | 38,610 |
| 8 | 69.77 | 185.06 | 907.98 | 87.71 | 29,050 |
| 7 | 69.62 | 182.60 | 898.69 | 87.39 | 33,170 |
| 6 | 69.67 | 181.32 | 890.82 | 87.36 | 31,270 |
| 5 | 69.28 | 178.57 | 877.83 | 85.45 | 21,950 |
| 2 | 69.11 | 175.69 | 858.71 | 84.24 | 10,300 |
| Dec. 31 | 69.02 | 172.65 | 852.41 | 83.65 | 16,970 |
| 30 | 69.06 | 171.21 | 852.41 | 82.69 | 16,040 |
| 29 | 68.87 | 170.85 | 856.66 | 82.79 | 17,070 |
| 26 | 68.72 | 170.68 | 859.81 | 82.73 | 10,020 |
| 24 | 68.58 | 169.13 | 851.94 | 82.12 | 11,150 |
| 1975-76 High | 70.75 (20/1/76) | 197.42 (20/1/76) | 949.26 (20/1/76) | 90.39 (20/1/76) | — |
| Low | 66.16 (5/1) | 146.47 (2/1) | 852.04 (2/1) | 72.02 (2/1) | — |
| All-time High | — | 279.88 (7/2/69) | 1051.70 (11/1/73) | 163.32 (20/4/65) | 38,450 (15/1/76) |
| Low | — | 13.23 (8/7/32) | 41.22 (8/7/32) | 10.58 (28/4/42) | — |

† Excluding bonds.

#### IND. DIVIDEND YIELD p.c.

| Jan. 16 | Jan. 11 | Jan. 17 1975 |
|---|---|---|
| 4.02 | 4.11 | 5.87 |

#### N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

| 1975-76 High | 1975-76 Low | Jan 20 | Jan. 19 | Jan. 16 | Jan. 15 | Jan. 14 |
|---|---|---|---|---|---|---|
| 52.33 (20/1) | 37.06 (8/1) | 52.33 | 52.07 | 51.41 | 51.18 | 51.44 |

#### RISES AND FALLS

| Issues traded | Up | Down | Unchanged |
|---|---|---|---|
| 1,837 | 924 | 551 | 362 |

## Lira weaker

The Italian lira proved the focal point of interest in the foreign exchange market yesterday, following the closure of the Italian foreign exchange market as a result of the political crisis after the resignation of the Government and doubts about the future trend of the Italian economy. The *lira's* trade-weighted average depreciation since the Washington Currency Agreement, of December 1971, as calculated by Morgan Guaranty of New York, on noon rates widened to 33.97 per cent. from 30.72 per cent. The Italian currency finished at L709½, in terms of the U.S. dollar compared with L688.80 previously. It was also reported that the French authorities gave support to the franc, as the U.S. dollar gained ground in Europe as a result of the situation in Italy.

The dollar's trade-weighted average depreciation since the Washington Agreement, on the Morgan Guaranty basis narrowed to 2.17 per cent. from 2.50 per cent., while sterling's depreciation, *as calculated by the Bank of England*, was unchanged at 30 per cent., after standing at 30 per cent. at noon and 30.1 per cent. in early dealings.

The pound opened at $2.0300-2.0310 and eased to $2.0250-2.0360 during the morning. After declining further to $2.0225-2.0235 sterling closed at $2.0235-2.0245, a loss of 70 points on the day.

Gold gained $½ to close at $124½-125½ after a fairly active day. The krugerrand finished at $128½-130½ (£63½-64½) for domestic delivery. *The coin's premium over its gold* content widened to 3.60 per cent. from 3.02 per cent. in the domestic market and narrowed to 2.80 per cent. from 3.22 per cent. in international dealings.


### SPECIAL DRAWING RIGHT RATES

| One SDR is equal to | Jan. 20 | Jan. 17 |
|---|---|---|
| Sterling | 0.577640 | 0.577759 |
| U.S. dollar | 1.17388 | 1.17401 |
| Belgian franc | 46.1452 | 46.1269 |
| Deutsche mark | 3.05479 | 3.05066 |
| French franc | 5.26162 | 5.26221 |
| Italian lira | 806.133 | 803.903 |
| Japanese yen | 356.860 | 357.956 |
| Dutch guilder | 3.13661 | 3.13402 |
| Swedish krone | 5.13807 | 5.12984 |

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

### EXCHANGE CROSS-RATES

### EURO-CURRENCY INTEREST RATES*

### FORWARD RATES

### GOLD MARKET

### FOREIGN EXCHANGE

## OVERSEAS SHARE INFORMATION

### NEW YORK

### CANADA

### GERMANY

### MILAN

### AUSTRALIA

### JOHANNESBURG

### PARIS

### BRUSSELS

### TOKYO

### SWITZERLAND

### AMSTERDAM

### STOCKHOLM

### COPENHAGEN

### SPAIN

### VIENNA

### OSLO

### TORONTO

### MONTREAL

### EUROPE

### MELBOURNE YIELDS

### SYDNEY ALL ORD. INDEX

### TOKYO NEW SE INDEX

### HONG KONG INDEX

### SINGAPORE INDEX

### STANDARD AND POORS U.S. STOCK INDICES

### STOCK AND BOND YIELDS

### TUESDAY'S ACTIVE STOCKS

### AMERICAN SE MARKET VALUE INDEX

# FARMING AND RAW MATERIALS

## Support for skim milk powder plan

BY ROBIN REEVES

BRUSSELS, Jan. 21.

BRUSSELS Commission ... to dispose of most of ...e's 1.1m. tonnes skim milk ...r "mountain" through its ...oration in animal feed ...unds now seems certain to ...ead.

...t became clear in the first ...ed reaction of EEC Farm ...ers to the Commission's ...7 farm package, which en...s a 7.5 per cent. rise in ...e EEC producer prices.

...it is also clear that a ...r of Ministers, including ...ed Peart, the U.K. Minister ...riculture intend to fight ...ompulsory aspect of the ...e. They will press the ...ission to make it effec... voluntary, by subsidising ...lling price to a level where ...im milk powder will com... naturally with soyabeans as ...tein ingredient for feed ...unds.

...ording to Commission esti... this will mean a cost to ...mmon farm budget equiva... £188m. for disposing of ...) tonnes of the powder, ...red with only £94m. if in...ation is made compulsory.

... Council discussions also ...ned that Mr. Peart will ... hard fight to persuade it ...w Britain to keep its beef ...um scheme.

...will have to persuade the ...ission to exercise its right ...tiative and put up a pro... enabling Britain to main...e premiums. Presumably ...in this end, he held a long ...e meeting with Mr. Pierre ...ois, the Agricultural Com...ner, late last night after ...ouncil meeting.

## Price range for tungsten

GENEVA, Jan. 21.

...ING TUNGSTEN pro... have recommended free ...g conditions within fixed ...um and maximum price ... to stabilise world market ... of the metal.

...proposal was contained in ...ment submitted to a work...oup of the UN Conference ...ade and Development by ...a on behalf of the 13-nation ...y tungsten producers, con...e sources said.

...producers' document said ...ers and consumers should ...e to negotiate their own ... and conditions within the ... minimum and highest ...um prices.

...r..

# Radical changes in U.K. fishing policy urged

BY MALCOLM RUTHERFORD

MAJOR PROPOSALS for an expansion of the U.K. fishing industry are contained in a report* submitted to the Ministry of Agriculture, Fisheries and Food by British United Trawlers.

The basic demand is for the establishment of a 100-mile fishing zone, which would be exclusive to the U.K. This would be in the context of the general move towards 200-mile exclusive economic zones at the UN Conference on the Law of the Sea.

The outer 100-mile zone, however, would be open to other members of the European Community, but closed to third countries except by special agreement.

The report says that the British Government should take the lead in seeking to reshape the Community's Common Fisheries Policy (CFP) to this end. The CFP was formulated before the idea of 200-mile zones became a serious possibility and it is accepted in the Community that it will have to be adapted to take account of such arrangements.

According to the report, investment in the U.K. industry is at a standstill because of uncertainties about future policy. The establishment of an exclusive zone would provide the necessary incentive.

Among factors threatening the industry are the possible loss of the distant water catch as other countries adopt 200-mile limits; overfishing of stocks within the proposed U.K. exclusive economic zone; and the unplanned and haphazard shrinkage of British fish resources, including vessels, manpower and processing capacity, because of lack of policy.

On the other hand, the potential sustainable annual catch in the proposed U.K. 200-mile zone is estimated at over 3m. tonnes, given proper conservation. This is about three times the present British catch in all waters.

Britain also has the largest market for fish for human consumption in the Community. Further the report says there is scope both for increasing domestic consumption and opening up new export markets for protein concentrates made from fish.

Robin Reeves writes from Brussels: International negotiations over fishing rights and catch quotas such as those planned between Mr. Wilson and Iceland's Premier, Mr. Geir Hallgrimsson, will soon become the prerogative of the European Commission in Brussels.

This follows an EEC Council of Ministers' decisoin here last night, effectively calling on the Commission to take over from member states the task of negotiating internationally-agreed fisheries quotas.

Britain already seems reconciled to passing over the job to Brussels. Mr. James Callaghan, the Foreign Secretary, told his EEC colleagues here yesterday that the U.K. national and Community interests were now coinciding and should find a place in Community policy.

* *Proposals for a United Kingdom Fisheries Policy. British United Trawlers Ltd., St. Andrew's Dock, Hull.*

# Farmers probe taxation threat

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

TAXES, PARTICULARLY capital taxes, were one of the main worries which farmers raised yesterday at the annual National Farmers' Union meeting. They would affect all farmers, whether making profits or not.

Mr. Tom Boden, chairman of the Union's economics and taxation committee, said the NFU was engaged in a permanent dialogue with the Government on the implications of capital transfer and wealth taxes insofar as they would affect farm production and investement.

While the smaller farm was catered for to some degree under reliefs given by the Chancellor, with a valuation based on rental and not on vacant possession, the larger farms would not qualify in this respect. The union, he said, was going to monitor valuations made by district valuers to see if the basis of valuations were kept in line.

*Tenant farmers, on the other* hand, are worried about the chances of their sons being able to succeed to the tenancy. A resolution came up late on the first day asking that tenants' sons and close relatives be given a right of succession, as was the case in Scotland.

The union seems to take the line that, if a tenant farmer dies, his son or most obvious successor should have the right to apply to a tribunal which would have the duty to award the tenancy or reserve it for the landlord on a basis yet to be statutorily defined. It is hoped that this will be included in the Agricultural Miscellaneous Provisions Bill now going through *the House of Commons.*

Landlords have been running a strong campaign to kill the proposal, or to attenuate it. Being fair to both sides would be an almost impossible task.

The matter of milk surpluses in Europe came up in a composite resolution, which demanded that expansion should not be restricted by these surpluses.

This fashionable view was countered by a speaker from the floor who advised delegates to be realistic, as members of the Community. But he and one other were the only opponents.

The only constructive suggestion put forward was that Europeans should drink more liquid milk, as we do, and make less butter, cheese and skimmed milk powder.

● The meeting also passed a resolution to continue its campaign against Common Market poultry regulations. The Union maintains that proposed EEC standards would mark the end of the traditional British bird—sold in the shops with head, feet and insides.

# Potato scheme attacked

DRAFT EEC regulations for *potato producers could set the* industry back 40 years in Britain, Mr. George Ledson, chairman of the National Farmers' Union potatoes committee, said yesterday.

They would bring British consumers "irregular supplies, uncertain quality and price fluctuations of the kind regularly experienced on the Continent."

The regulations would be unsatisfactory for producers, would do nothing for consumers and would also threaten the Potato Marketing Board.

Mr. Ledson said: "The present market conditions will recur much more frequently if the draft regulations are enforced, since there are no provisions for equating supply with demand.

"We must reject the Commission's proposals as being inadequate for the U.K. potato industry."

# Setback in coffee values

By John Edwards, Commodities Editor

COFFEE VALUES on the London Robusta futures market fell sharply yesterday, the March position closing £20.5 down, at £830.5 a tonne.

The decline occurred mainly in afternoon trading, following a downturn in New York. Speculative selling, including stop-loss sales as values fell, accelerated the trend.

A technical reaction, after the recent upward surge in prices to peak levels, had generally been anticipated. At the same time, it was claimed in *New York* that Brazilian Coffee prices had in effect been reduced by a downward adjustment in the value of the cruzeiro, without the usual compensating increase in the contribution quota.

In contrast, cocoa futures prices rallied on the London market yesterday. The May position closed £6 higher, at £696.5 a tonne, after trading at £701 at one stage.

Reluctance of producer countries to sell at lower price levels, and covering of previous "short" sales by speculators encouraged the upward trend. So did a report from New York overnight that leading U.S. confectionery group, *Hershey was planning to* reduce the price of some chocolate products and increase the weight of others. However, a spokesman said the decreases mainly reflected the lower price of sugar, rather than that of cocoabeans.

# Copper exports cut to stay

PARIS, Jan. 21.

THE INTERGOVERNMENTAL Council of Copper Exporting Countries (CIPEC) was maintaining its 15 per cent. production cutbacks until the end of June, said executive director, Sacha Gueronik, reports Reuter. There was no question of altering this decision, he said.

He was commenting on market reports last night, suggesting that London Metal Exchange copper stocks may rise sharply in coming weeks as CIPEC members resume shipments to world markets.

Production figures for 1975 were expected soon and are likely to show a drop of more than 10 per cent. in output for the four founded members—Chile, Peru, Zaire and Zambia.

Mr. Gueronik said Ministers may meet again this summer, possibly before end-June, to decide what now measures, if any were needed to support copper prices. No date had been fixed.

SUGAR TRADING

# Uncertain future for new Paris market

BY RUPERT CORNWELL, IN PARIS

CAUTIOUSLY AND without fanfare, the Paris commodity markets enter a new era on Monday.

It is not just that trading in white sugar will resume, almost 14 litigation-packed months after the ignominious collapse of December 2, 1974. The Government has used the period of virtual closure to introduce a new set of rules to govern the markets, whose centre-piece is a revamped regulatory body.

The future of the French capital as a world commodity centre depends on the confidence which these measures inspire among international operators, as well as the French.

*Success of the restyled sugar* market will govern prospects for the smaller ones dealing in coffee and cocoa, and for the soyabean meal market which the French authorities plan to launch as soon as the others get into their stride.

The 1974 debacle—one of the most spectacular of its kind in recent times—can be traced to the great commodity boom which reached its peak that year.

Sugar was in the forefront, the prospect of a serious shortage driving the Paris price to Fr.8,500 per tonne early in November.

The market, the only one in the world specialising in white (or refined) sugar, had also begun to become a real international force.

Turnover—only 4m. tonnes in 1972—had risen to 7m. in 1973 and until November 1974, was running at about 1m. tonnes a month. On paper, this meant that at least 10 per cent. of world sugar output passed through Paris.

Such was the general euphoria *that prices of Fr.11,000 or even* Fr.12,000 were freely talked of by brokers.

Among them, was M. Maurice Nataf, who by then alone accounted for over half of the 3,000 lots of 50-tonne contracts outstanding. His fatal mistake was to forget the golden rule that what goes up must sooner or later come down, and in the case of the wildly-inflated sugar price, it was most definitely sooner. The market broke at the end of November and M. Nataf and his clients were under pressure to find more margin money. This he managed to do for a few days, but prices continued to fall.

Default was inevitable, but such was his dominance of the relatively narrow Paris market that his failure dragged others with him.

At the request of the super*visory Caisse de Liquidation*, the Commerce Minister, M. Vincent Ansquer, ordered a suspension of trading, invoking Article 22 which postulated an artificial settlement price. But this regulation could only be applied on the grounds of war, or of *force majeure.*

The decision was bitterly contested by those operators—especially in London—who had sold "short," anticipating lower prices. After several attempts at compromise, the Article 22 solution was nullified by France's highest court.

Law suits showered down on the Exchange. Finally last summer, M. Jacques Pesson, a respected lawyer, was appointed as mediator to work *out an informal* settlement covering all 60 parties involved. This he achieved last December, at a price of Frs.200m. and after a warning that the alternative was the death of commodity trading in Paris.

Plans had been made, in the meantime, to wind up the Caisse itself, by now discredited as a result of the lax clearing system and by the refusal of the authorities to accept Article 22.

Execution will be formally carried out by a final shareholders' meeting at the end of this month. The Caisse will be replaced by the Banque Centrale de Compensation, set up on January 1, 1976, and owned by the leading French banks.

But the BCC is only one facet of the new measures aimed at straightening out trading in Paris. A set of new trading rules includes a new settlements procedure and a precise code for any suspension of trading, which will not be allowed to exceed three days.

Also, every client will have to make a deposit with the broker taking his order of not less than the amount submitted to the central settlement body by the broker himself when the order is registered.

## The wounds

For all the care with which the new arrangements have been drawn up to prevent a repeat of December 1974, the future of Paris commodity trading is by no means certain.

In its favour is the generally felt need for a futures market in white sugar in Europe and the fact, emphasised by M. Gerard Bachelier, head of the Brokers' Association, that the Augean stable has been thoroughly cleaned.

But even he admits that it will be difficult to lure back *quickly the customers of* two years ago, especially those like the London traders who guessed right and then saw their rightful profits denied them by decree. For the *laissez-faire* Anglo-Saxon, it smacked too much of meddling by Gallic officialdom for the wounds to heal quickly.

A temporary London facility has been set up, in the meantime, and the credibility of Paris dented—perhaps irreparably. At the very least, it will be what M. Bachelier terms a "period of convalescence."

# Common Market exports more sugar

BY OUR COMMODITIES STAFF

ANOTHER LARGE quantity of sugar was sold by the EEC Commission at its weekly export tender in Brussels yesterday. A total of 81,450 tonnes of white sugar was sold at a maximum export rebate rate of 4.750 units *of account per 100 kilos.*

In London, sugar prices eased for the second successive day, the daily price for raw sugar dropping to £160 a ton—£7 less than it was on Monday. On the terminal market prices moved up after early declines, but the May position still closed £1.775 down at £159.9 a ton.

K. K. Sharma reports from Delhi: Sugar is expected to be India's largest single foreign exchange earner this year. According to estimates by the Commerce Ministry, sugar earnings will be Rs.4½bn. this year.

The Government had decided to sell 130,000 tonnes abroad

# COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

COPPER—Barely changed on balance London Metal Exchange. Prices ... to harden in pre-market and ... long dealings, reflecting the fall ... coupled with overnight ... business in the U.S. and ... buying here. Forward metal ... to £614 but in the afternoon ... and stale bull liquidation ... the disappointing opening of ... with the price falling to £609 ... trading on the Kerb at £611. ... 12,825 tonnes.

Amalgamated Metal Trading reported ... the morning cash wirebars traded ... 94, 93.5, 94; mid-Feb. £600.5; ... months £614, 13.5, 13, 13.5. ... Cash £591, three months £601. ... Cash £534; late-April £613; ... months £610.5. Cathodes: Cash ... three months untraded. Afternoon ... Cash £590; three months £612, 11, 10, 09.5. Cathodes: Cash untraded; three months £598. Kerb: Bars: Cash £598.5; three months £609, 10, 09.5, 10, 10.5. Cathodes: Untraded.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| Wirebars | £ | £ | £ | £ |
| Cash | 593.5-4 | +1 | 589.5-90 | —.5 |
| 3 months | 613-.5 | +.5 | 609.5-10 | ...... |
| Settlem't | 594 | +1 | — | ...... |
| Cathodes | | | | |
| Cash | 580.5-1 | +.25 | 578-9.5 | ...... |
| 3 months | 600-1 | +.25 | 597.5-8 | —.5 |
| Settlem't | 581 | ...... | — | ...... |
| U.S. Smp. | — | ...... | *55-55.7 | ...... |

TIN—Modestly firmer despite the Penang price being unchanged. A continuing feature in dealings was the price premium on High Grade material over Standard. This reflected the difference between the higher Straits price and the lower level of High Grade metal in London. A further steadying influence was the lower tone of sterling. Turnover, 1,040 tonnes.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 3059-61 | +7 | 3060-2 | +2.5 |
| 3 months | [illegible] | [illegible] | [illegible] | [illegible] |
| S'ment | [illegible] | [illegible] | [illegible] | [illegible] |
| Standard | | | | |
| Cash | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 months | [illegible] | [illegible] | [illegible] | [illegible] |
| S'ment | [illegible] | [illegible] | [illegible] | [illegible] |
| Straits | [illegible] | [illegible] | [illegible] | [illegible] |
| New York | [illegible] | [illegible] | [illegible] | [illegible] |

[illegible]

LEAD—[illegible]

ZINC—[illegible]

* Cents per pound. ... On previous unofficial close.

## SILVER

[illegible]

## COCOA

[illegible]

## COFFEE

[illegible]

## RUBBER

[illegible]

## FREIGHTS

DRY CARGO—[illegible]

OIL TANKERS—Rate outlook still gloomy. Two inquiries on VLCCs with charterers trying to push rate below Worldscale 20. Elsewhere, some activity out of Indonesia with two 28,000 d.w.t. ...

... of sugar was booked from W. coast India to Indonesia at $16.25 f.i.o. for Jan.-Feb. and a cargo of ore from Tubarao to Gijon at $2.85 f.i.o. for prompt loading.

## GRAINS

[illegible]

LONDON GRAIN FUTURES MARKET (GAFTA)—[illegible]

## SOYABEAN MEAL

[illegible]

## SUGAR

LONDON DAILY PRICE [illegible]

## WOOL FUTURES

[illegible]

## MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 35.0 to 41.0. English hindquarters—heavy 46.0 to 48.0, forequarters 28.0 to 30.0. Ulster hindquarters 47.0 to 48.0, forequarters 26.0 to 30.0. Veal: English fats 30.0 to 36.0. Scotch bobbies 18.0 to 20.0. Lamb: English small ... [illegible]

## JUTE

DUNDEE—Firm. Prices c. and f. U.K. for Jan.-Mar. shipment: BWC £192, BWD £174, ... BTD ... [illegible]

COPRA—Philippines: Jan. $300, Feb. ... sellers ... ports.

HIDES—Leeds. Slightly firmer but ... clear ... 28-30.5 ... cows ...

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to ... tonnes ... [illegible] ... reports F. W. Tattersall.

## PRICE CHANGES

Prices per ton unless otherwise stated.

| | Jan. 21 1976 | + or — | Month ago |
|---|---|---|---|
| **Metals** | | | |
| Aluminium(w) | £420 | ...... | £420 |
| Free Market (cif) | £540-560 | —5 | £535-545 |
| Copper | | | |
| Cash Wire Bars | [illegible] | [illegible] | £579.75 |
| 3 months do. do. | [illegible] | [illegible] | £600.25 |
| Cash Cathode | [illegible] | [illegible] | £567.5 |
| 3 months do. | [illegible] | [illegible] | £587.25 |
| Gold ...... Troy oz. | [illegible] | [illegible] | $140.75 |
| Lead Cash | [illegible] | [illegible] | £167 |
| 3 months | [illegible] | [illegible] | £174.25 |
| Nickel | [illegible] | [illegible] | £2,415 |
| Free Market (cif) (lb) | [illegible] | [illegible] | $1.9-2.06 |
| Platinum | [illegible] | [illegible] | [illegible] |
| Free Market | [illegible] | [illegible] | £73 |
| Quicksilver (76lb) | [illegible] | [illegible] | $75.80 |
| Silver Troy oz | [illegible] | [illegible] | 209.9p |
| 3 months | [illegible] | [illegible] | 215.9p |
| Tin Cash | [illegible] | [illegible] | £3,051 |
| 3 months | [illegible] | [illegible] | £3,113.5 |
| Wolfram 22.04lb. cif | [illegible] | [illegible] | $42.44 |
| Zinc Cash | [illegible] | [illegible] | £342.25 |
| 3 months | [illegible] | [illegible] | £354.75 |
| Producers | [illegible] | [illegible] | $795 |
| **Oils** | | | |
| Coconut (Malayan) | [illegible] | [illegible] | [illegible] |
| Groundnut | [illegible] | [illegible] | £387 |
| Linseed Crude | [illegible] | [illegible] | £377 |
| Palm Malayan | [illegible] | [illegible] | £182 |
| **Seeds** | | | |
| Copra Philippine | [illegible] | [illegible] | £207.5 |
| Soyabeans (U.S.) | [illegible] | [illegible] | [illegible] |
| Linseed Can No. 1 | [illegible] | [illegible] | £155 |
| **Grains** | | | |
| Barley EEC | [illegible] | [illegible] | £64.5 |
| Home Futures | [illegible] | [illegible] | £63.2 |
| Maize | | | |
| French No. 3 Am | [illegible] | [illegible] | £66.25 |
| South African | [illegible] | [illegible] | £67.25 |
| Wheat | | | |
| No. 1 Red Spring | [illegible] | [illegible] | [illegible] |
| No. 2 Hard Winter | [illegible] | [illegible] | [illegible] |
| Australian | [illegible] | [illegible] | [illegible] |
| English Milling | [illegible] | [illegible] | £65 |
| Cocoa Shipment | [illegible] | [illegible] | £752 |
| Future May | [illegible] | [illegible] | £730.5 |
| Coffee Shipment | [illegible] | [illegible] | [illegible] |
| Futures Mar | [illegible] | [illegible] | £808.5 |
| Cotton 'A' Index | [illegible] | [illegible] | 59.95 |
| Jute UABWC | [illegible] | [illegible] | £195 |
| Rubber kilo | [illegible] | [illegible] | 36p |
| Sisal NASL (s) | $600* | ...... | $600* |
| Sugar (Raw) | £160 | —3 | £160 |
| Wooltops 64s ... kilo | 212p | ...... | 210p |
| Cloves (Madagascar) | £2,660 | ...... | £2,480 |
| Pepper White ... ton | £960 | ...... | £935 |
| Black ... ton | £760 | ...... | £730 |

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h Jan.-March. u Metric tons. v Sept.

**FINANCIAL TIMES**

| Jan. 20 | Jan. 19 | Month ago | Year ago |
|---|---|---|---|
| 176.96 | 177.37 | 172.86 | 177.13 |

(Base: July 1, 1952=100)

**REUTER'S**

| Jan. 21 | Jan. 20 | Month ago | Year ago |
|---|---|---|---|
| 1197.2 | 1191.8 | 1171.3 | 1109.2 |

(Base: Sept 18, 1931=100)

**DOW JONES**

| Dow Jones | Jan. 20 | Jan. 19 | Month Ago | Year ago |
|---|---|---|---|---|
| Spot | 300.75 | 301.04 | 296.26 | 347.29 |
| Futures | 296.11 | 295.17 | 284.18 | 314.90 |

(Average 1924-25-26=100)

**MOODY'S**

| Moody's | Jan. 20 | Jan. 19 | Month ago | Year ago |
|---|---|---|---|---|
| Sple Commty | 761.9 | 763.8 | 749.4 | 771.3 |

(Dec. 31, 1931=100)

GRIMSBY FISH. Supply poor, demand fairly good. Prices at ships side (unprocessed) per stone: Shelf cod £2.20-£2.50. Codlings £1.90-£2.20. Large haddock £2.10, Medium £2.70-2.90, Small £1.90-£2.00. Medium plaice £2.90. Best small £2.90. Medium skinned dogfish £5.00. Large £5.50. Lemon soles £6.00. Rock fish £2.40-£2.60. Reds £1.80-£2.10. Saithe £1.20-£1.30.

## U.S. Markets

# Precious metals down

NEW YORK, January 20.

GRAIN futures closed mixed on mixed Commission House and trade activity in lack of any fresh news. Precious metals and copper closed lower on chartist selling and Commission House liquidation. Coffee finished firm on Trade and Commission House buying. Sugar finished near the lows on Commission House stop-loss selling, Bache reports.

Cocoa—Ghana spot 73 (72½). Bahia spot 70½ (69½). March 61.63 (62.20), May 60.70 (60.22), July 59.10, Sept. 57.60, Dec. 55.70, March 54.20, May 53.65. Sales: 1,818.

Coffee—"C" Contract: March 96.60-96.60 (96.50), May 93.45-93.40 (93.45), July 95.15-95.20, Sept. 93.00-93.20, Dec. 94.50-94.90. Sales: 432.

Copper—Jan. 53.70 (53.90), Feb. 55.50 (56.00 settlements), March 56.20, May 57.00, July 57.80 settlements. Sales: 2,142.

Cotton—March 59.55-59.64 (58.98), May 60.60-60.70 (60.05), July 61.40, Oct. 60.00, Dec. 57.85, March 58.15-58.35, May 58.50 bid. Sales: 6,350.

‡Gold—Jan. 123.90 (127.30), Feb. 124.10 (127.60), March 124.50, April 125.10, June 126.10, Aug. 127.20, Oct. 128.30, Dec. 129.30, Feb. 130.50, April 131.70. Sales: 3,897.

Greasewool—Spot 167.5 nom. (170.0 nom.). March 162.5-167.0 (162.0), May 163.0-168.0 (163.0), July 160.5-165.0, Oct. 160.0-165.0, Dec. 160.0-165.0, March 160.0-165.0, May 160.0-165.0.

†Lard—Chicago loose 17½ (17½ nom.). NY prime steam 18½ asked (19 asked).

††Maize—March 273½-273 (272¾), May 279½-279¼ (279½), July 283¾-283½, Sept. 279¼-279½, Dec. 271¾-271½, March 277¼.

‡Platinum—April 141.10 (140.60), July 143.20 (same), Oct. 145.80-146.00, Jan. 149.60-148.60, April 151.50-151.70. Sales: 210.

‡‡Silver—Spot 380.30 (same), Jan. 383.60 (391.70), Feb. 383.80 (391.90), March 386.60, May 390.90, July 396.10, Sept. 401.60, Dec. 410.10, Jan. 412.90, March 418.30, May 424.10. Sales: 18,895.

*Soyabeans—Jan. 484½ (483½), March 490-491 (493½), May 498-498½, July 507½-507, Aug. 510½, Sept. 516, Nov. 521½, Jan. 528.

bSoyabean Meal—Jan. 142.00 (130.50), March 138.00-137.50 (137.90).

Soyabean Oil—[illegible]

Sugar—[illegible]

Tin—[illegible]

**Wheat—[illegible]

WINNIPEG, Jan. 20 [illegible]

cOats—[illegible]

§Barley—[illegible]

dFlaxseed—[illegible]

Wheat—[illegible]

All cents per pound ex-warehouse unless otherwise stated. [illegible]

STOCK EXCHANGE REPORT

# Markets less certain as selling pressure increases

## Index down 7.8 at 388.4—Better trend in Gold shares

**Account Dealing Dates**
**Option**

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Jan. 12 | Jan. 22 | Jan. 23 | Feb. 3 |
| Jan. 26 | Feb. 5 | Feb. 6 | Feb. 17 |
| Feb. 9 | Feb. 19 | Feb. 20 | Mar. 2 |

* " New time " dealings may take place from 9.30 a.m. two business days earlier.

The recent air of confidence in stock markets weakened slightly yesterday. Fears of pressure on the Government to reflate the economy following the latest unemployment figures served to undermine sentiment, as did uncertainties in the currency markets. Against this background, British Funds turned distinctly dull after charting an erratic course and closed with widespread losses ranging to ¾. The Government Securities index reacted 0.39 to 62.50 which compares with last Friday's 1975-76 peak of 63.27 and the end-1975 level of 59.83.

A rally in the equity leaders in the late afternoon quickly petered out and the FT 30-share index closed at the day's lowest with a fall 7.8 at 388.4 for a loss of 14.8 so far on the week. Although the volume of selling was not particularly heavy, it was more persistent than of late and fairly sizeable.

A fairly widespread setback in second-line equities was reflected in a majority of falls by 5-2 over rises in FT-quoted Industrials. Official markings of 8,778 compared with 8,135 on Tuesday and 9,045 a week ago.

### Gilts volatile

In contrast, Gold shares made a useful rally in line with an improvement of $0.75 to $125 in the bullion price. The Gold Mines index regained 7.9 to 205.0, after sustaining a loss of 47.5 over the previous nine trading days.

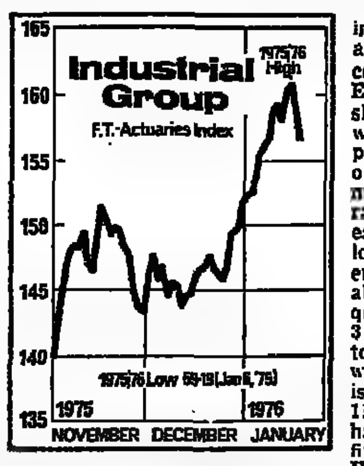
A more volatile trend began to develop in British Funds which, after securing early gains to ⅞, went into reverse to close with losses extending to ¾. Various factors or rumours caused the later about-turn, these including much tighter conditions in the money market, the Angolan and Middle East situations and vague speculation concerning a split in Government/TUC pay policy. Additionally, the longer end of the market was showing nervousness about the reduced level of demand for the "tap." Treasury 13 per cent., 1990; earlier this week it was confidently predicted that remaining supplies with the Government broker would soon be exhausted, but yesterday the stock closed at 96⅝, after 97⅝, a full point below the level at which supplies were last sold by the official source. Short-dated issues were some ⅛ lower but slightly above the lowest in after-hours' trading, along with selected mediums and longs.

Following a trading pattern almost identical with that of the previous day, the investment currency premium moved up to 114 per cent., but reacted later to close only marginally higher on the day at 112⅝ per cent. Yesterday's SE conversion factor was 0.6034 (0.6024).

### Union dip and rally

Succumbing to the general dull market trend, National Westminster at 275p, declined 3, with the other Home Banks a penny or two easier, after a reasonable business. Among Overseas issues, Standard and Chartered dipped 10 to 475p to the accompaniment of vague rumours of a South African rand devaluation. Among Discounts, disappointment with the preliminary results saw Union touch 350p, before rallying in the late trade to close only 2 down on the day at 338p. Irregular Merchant banks had Dawnay Day 1½ harder at 21½p and Kleinwort Benson 6 off at 118p; the latter's results are due on March 16.

Insurances displayed widespread falls. "Royals" closed 8 lower at 322p and Sun Alliance came to rest 7 easier at 438p. Commercial Union and Guardian Royal




Exchange both fell 5 to 146p and 212p respectively, while losses of around 4 were recorded in General Accident, 173p, Eagle Star, 129p, and Phoenix, 220p.

Amalgamated Distilled Products featured a dull Drinks sector, falling 4 to 28p, after 27p, on disappointment with the first-half profits. Distillers ran back 3½ to 143½p, while Bass Charrington gave up 3 to 107p as did Arthur Guinness to 144p.

AP Cement featured dull Buildings, falling 11 to 184p. R. Costain gave up 4 at 224p, while London Brick, 58p, and Marley, 100p, shed 3 apiece. Mears Bros. finished a penny easier at 28p after the results. Against the trend, Econa edged up 1½ to 28½. In Timbers, Phoenix declined 5 to 60p.

In Chemicals, ICI, 355p, and Fisons, 390p, lost 5 apiece, while Catalin declined 4 to 54p. Allied Colloids, at 107p, also gave up 4 at 107p on disappointment with the interim report. Hickson and Welch contrasted with a rise of 5 to 325p.

### Thorn erratic

Electrical leaders gave ground in fairly quiet trading. GEC, 151p, after 150p, and EMI, 234p, recorded losses of 4 apiece. Thorn Electrical made a rather erratic showing on the half-year results, which were around market expectations; down to 232p ahead of the announcement, the Ordinary and "A" subsequently rallied to 238p before turning easier again to 234p to leave a loss of 4 on the day. Plessey ended 2 lower at 75p, after 74p, ahead of next Monday's third-quarter statement. BICC slipped 3 to 124p and Philips' Lamp 10 to 905p. Further minor declines were registered in secondary issues, although Dorman Smith, 112p, and the "A", 106p, both hardened 2 in reflection of the first-half profits improvement. Henry Wigfall receded 10 to 200p.

Press comment on the group's interests encouraged another lively trade in Burton Group; the "A" rose a penny more at 58p (for a two-day rise of 5) following a very large turnover: the Ordinary were unchanged at 64p, the price in the previous day's issue being incorrect. The property subsidiary, Montague Burton Property Investments, finished a penny better at 37½p. Other Stores closed at the day's lowest following a reasonable business. "Gussies" "A" gave up 2 at 212p, while Marks and Spencer, 104p, and British Home Stores, 364p, shed a penny apiece. Cantors "A," still reflecting the interim report, eased 2 more to 31p, while similar losses were sustained by Mothercare, 172p, and H. Samuel "A," 128p. After the previous day's rise of 7 on bid speculation, Weston Pharmaceuticals were active and a fraction harder at 54½p. Mail Orders drifted easier, Empire Stores and Grattan Warehouses both closing 2 cheaper at 82p and 96p respectively. In Shoes, Strong and Fisher, at 102p, gave up 2 of the previous day's rise of 5 which followed the interim results and "rights" proposals.

Leading Engineerings were none too happy with Hawker 8 down at 384p, GKN 6 lower at 273p and Tube Investments 4 cheaper at 326p. Many secondary issues also gave ground including Weyburn, a further 10 off at 495p on renewed profit-taking, and Staveley Industries, which reacted 5 to 144p despite the chairman's reference to a satisfactory first-quarter's trading. Reports that the dividend could be in doubt lowered Dunford and Elliott 3 to 43p, while Richardsons Westgarth lost 1½ to 49½p after news of the first-half setback in profits. The "rights" issue announcement, however, put Wolseley-Hughes up 6 to 133p and Midland Industries were 1 harder at 22p, the latter mirroring the record profits. Elsewhere, F. Pratt picked up 3 to 62p and East Sussex, recently recommended as a speculative purchase, improved 1½ to 21½p. Shipbuildings hardened in places.

Foods sported a number of dull spots. Manbre and Garton finished 3 off at 138p, after 136p, while Bernard Matthews, 67p, and British Sugar, 340p, lost 5 apiece. Nurdin and Peacock eased 3 to 92p following Press comment on the chairman's statement. Losses of 4 were sustained by J. Bibby, 80p, and William Low, 98p, while Tate and Lyle gave up a penny at 268p in front of to-day's preliminary statement.

After falling to 136p, J. Lyons "A" rallied to close unchanged on the day at 142p. Centre Hotels (Cranston) were unaltered at 28p after the interim report and scrip issue proposal, but Grand Metropolitan, ahead of to-morrow's results, eased 1½ to 81½p.

### Rank react

Selling of the miscellaneous Industrial leaders left prices closing at the day's worst. Rank Organisation issues turned reactionary "after-hours," partly in reflection of Wall Street's opening dullness; the Ordinary ended 5 cheaper at 190p and the "A" 10 down at 170p ahead of to-day's keenly awaited preliminary statement. Reed International, 273p, relinquished the previous day's rise of 9 which followed news of the bid to reach a settlement of the Canadian newsprint strike. Metal Box weakened 7 to 277p, while Boots, 131p, and Bowater, 184p, retreated 6 apiece. Glaxo gave up 5 to 378p and Beecham 3 to 347p. Elsewhere, the interim dividend omission and half-year loss depressed Wilkins and Mitchell by 6 to 40p, while Leisure Caravan Parks, despite the rise in interim profits, shed a penny to 33p. Myson Group, 88p, and Sale Tilney, 66p, both receded 5, while Trafalgar House came back 3 to 102p and the new nil-paid 4 to 17p premium. On the other hand, Crosby House rose 9 more to 122p for a two-day advance of 12 in response to the sale of the company's remaining tea interests. Western Board Mills, still on the half-year report, gained 2 more at 41p.

Motors and Distributors had little to commend them. Reliant Motor shed ⅜ at 8½p on the first-half trading deficit, while Dunlop, 73p, and Lucas, 186p, lost 2 apiece. In Garages, Peterborough closed a penny better at 30p after the interim

Fresh easiness in Associated Paper, down 3 more at 37p, continued to reflect the poor second-half achievement and contributed to unsettle the sector generally. John Waddington gave up 4 more at 93p, while Tridant slipped 3 to 49p and Lowe and Brydone 4 to 48p. Elsewhere, London and Provincial Poster reacted 6 to 96p.

### Oils unsettled

Renewed U.S. concern about the financial problems facing Alaskan North Slope operators was held more responsible for a further reaction in British Petroleum, down 5 at 580p on revived American selling, than the current tension in the Middle East. Shell, however, appeared unsettled by the latter influence and fell 8 to 382p, while Royal Dutch gave up ¾ at £34¼. Secondary Oils escaped with only small losses, but Ranger, in the Canadian list, lost ½ to £12.

Leading Properties drifted easier on light selling, with Land Securities losing 5 to 182p. MEPC followed Tuesday's annual meeting with a decline of 3 at 87p, while Amalgamated Investment and Property, 19p, and British Land, 28p, shed 1½ apiece. Further losses limited to a few pence occurred in quiet secondary issues. United Real Property gave up 5 to 205p and Chesterfield Properties 4 to 140p, while Apex Properties, 106p, and Percy Bilton, 156p, both eased 3.

Booker McConnell stood out in easier Overseas Traders with a reaction of 8 at 153p. Jamaica Sugar Estates, 24p, shed 1½ of the recent advance which reflected the profits upsurge and resumption of dividends. Inchcape ended 2 cheaper at 392p, after 390p, ahead of to-day's interim statement.

Ahead of to-day's preliminary figures, London Australia Investments hardened 4 to a 1975-76 high of 102p in mixed Trusts and Financials.

Shippings were notable only for a rise of 5 to 199p in Furness Withy following renewed speculative interest. P & O Deferred were lowered 2½ to 106p.

In common with other market majors, Courtaulds cheapened 4 to 157p on persistent small offerings. After easing to 96p following the "rights" issue announcement, Carpets International rallied to close 2 better on balance at 99p.

Tobaccos were dull with Bats, 348p, losing the previous day's gain of 7. Imps receded 3 to 80p.

Plantations closed a shade firmer for choice after a negligible business.

### Golds stage a rally

The first rally in the bullion price for six trading days prompted a similar movement in the shares of the South African producers of the metal which left the Gold Mines index s recovery of 7.9 at 205. Sh moved ahead from the couraged by the modes morning fixing price of and the trend was mair Continental demand a mid-day.

The opening firmnes shares in the U.S. cause rises here in after hour and prices ended at highest. Bullion was cents up at $125 per our

Gains in the hea ranged to ¼ in both S (£19) and Free Stat (£19½) while Southvaal at 340p. The gold-Financials also respon Amgold being ½ up at Beers rallied 4 to 316p.

The London-based Houses, however, were a few pence easier refl lower U.K. Industrial Charter were especially a fall of 9 to 181p v eased 3 to 201p.

Modest offerings of s the Cape were well ab Platinums with Pot closing only 1 off at 1 tralians ended showing tunes following undeci markets overnight. L mand in a thin market Bougainville at 117p but slump in the bullion pri flected in a 10 fall to 6 Mines of Kalgoorie.

Tins and Coppers w where changed in quie Elsewhere, Murchison ra 300p, Sabina edged 3 103p and Westfield Mine 5 at 118p.

## FINANCIAL TIMES STOCK INDIC

| — | Jan. 21 | Jan. 20 | Jan. 19 | Jan. 16 | Jan. 15 | Jan. 14 |
|---|---|---|---|---|---|---|
| Government Secs. | 62.50 | 62.89 | 63.04 | 63.27 | 63.20 | 62.89 |
| Fixed Interest | 62.22 | 62.37 | 62.47 | 62.50 | 62.50 | 62.40 |
| Industrial Ordinary | 388.4 | 396.2 | 394.7 | 405.2 | 403.3 | 398.7 |
| Gold Mines | 205.0 | 197.1 | 202.7 | 209.8 | 216.7 | 216.5 |
| Ord. Div. Yield % | 5.58 | 5.29 | 5.31 | 5.22 | 5.21 | 5.27 |
| Earnings Yld % (full)(a) | 15.03 | 14.75 | 14.82 | 14.55 | 14.55 | 14.70 |
| P/E Ratio (net) (a) (b) | 9.76 | 9.94 | 9.89 | 10.09 | 10.09 | 9.96 |
| Dealings marked | 8,778 | 8,135 | 8,163 | 8,360 | 8,753 | 9,045 |
| Equity turnover £m | — | 66.81 | 72.91 | 87.21 | 89.97 | 84.95 |
| Equity bargains total | — | 17,696 | 21,500 | 20,351 | 21,694 | 20,590 |

10 a.m. 394.3. 11 a.m. 391.3. Noon 389.5. 1 p.m. 388.8. 2 p.m. 388.8. 3 p.m. 390.1.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.68.
Basis 100 Govt Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

### HIGHS AND LOWS

| — | 1975/6 High | 1975/6 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 63.27 (16/1/76) | 49.18 (3/1/75) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 62.50 (16/1/76) | 50.53 (3/1/75) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 405.5 (15/1/76) | 146.0 (6/1/75) | 543.6 (19/5/72) | 49.4 (26/6/40) |
| Gold Mines | 442.3 (22/5/75) | 197.1 (20/1/76) | 442.3 (22/5/75) | 43.5 (26/10/71) |

### S.E. ACTIV

| — | Jan. 21 |
|---|---|
| Daily— | |
| Gilt-Edged | 206.7 |
| Industrials | 308.3 |
| Speculative | 82.5 |
| Totals | 199.8 |
| 5-day Av'r'ge | |
| Gilt-Edged | 216.6 |
| Industrials | 396.7 |
| Speculative | 78.6 |
| Totals | 192.1 |

## F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Figures in parentheses show number of stocks per section.

| | EQUITY GROUPS — GROUPS & SUB-SECTIONS | Wed. Jan. 21, 1976 Index No. | Day's Change % | Est. Earnings Yield % (Max) Corp. Tax 52% | Gross Div. Yield % (ACT at 35%) | Est. P/E Ratio (net) Corp. Tax 52% | Est. P/E Ratio (nil) Corp. Tax 52% | Tuesday Jan. 20 Index No. | Monday Jan. 19 Index No. | Friday Jan. 16 Index No. | Thurs. Jan. 15 Index No. | Year ago (approx.) Index No. | 1975/76 High | 1975/76 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (178) | 147.96 | −1.5 | 16.59 | 5.70 | 9.66 | 9.66 | 149.83 | 150.88 | 152.87 | 152.64 | 66.65 | 152.87 (16/1/76) | 51.78 (6/1/75) | 206.57 (4/5/72) | 50.71 (13/12/74) |
| 2 | Building Materials (29) | 144.74 | −1.4 | 11.75 | 5.81 | 13.04 | 13.05 | 146.77 | 147.54 | 150.16 | 150.18 | 58.98 | 150.18 (15/1/76) | 46.11 (6/1/75) | 253.84 (2/5/72) | 44.27 (11/12/74) |
| 3 | Contracting, Construction (23) | 247.47 | −0.8 | 14.45 | 3.88 | 10.70 | 10.70 | 248.48 | 254.78 | 259.75 | 260.20 | 105.08 | 263.54 (13/11) | 74.74 (6/1/75) | 389.83 (19/5/72) | 71.48 (12/12/74) |
| 4 | Electricals (16) | 259.69 | −2.1 | 16.80 | 4.59 | 8.72 | 8.72 | 265.24 | 265.66 | 265.74 | 269.07 | 126.97 | 269.07 (15/1/76) | 96.49 (2/1/75) | 350.04 (4/5/72) | 84.71 (25/6/62) |
| 5 | Engineering (Heavy) (13) | 166.70 | −1.1 | 18.40 | 7.04 | 8.45 | 8.45 | 168.62 | 170.68 | 173.52 | 173.46 | 61.65 | 173.62 (16/1/76) | 64.39 (2/1/75) | 202.57 (8/6/73) | 64.59 (2/1/75) |
| 6 | Engineering (General) (63) | 129.66 | −1.0 | 17.05 | 6.49 | 8.79 | 8.79 | 131.17 | 131.33 | 132.76 | 132.55 | 56.09 | 132.76 (16/1/76) | 45.45 (6/1/75) | 188.59 (4/5/72) | 45.43 (6/1/75) |
| 7 | Machine and Other Tools (9) | 52.53 | −0.3 | 16.07 | 8.04 | 11.21 | 11.21 | 52.40 | 52.52 | 53.26 | 53.01 | 24.21 | 53.26 (16/1/76) | 20.11 (2/1/75) | 156.70 (4/7/66) | 19.96 (13/12/74) |
| 8 | Miscellaneous (26) | 127.20 | −0.3 | 16.37 | 6.60 | 9.27 | 9.27 | 127.56 | 128.46 | 130.25 | 129.96 | 59.19 | 130.25 (16/1/76) | 49.65 (6/1/75) | 177.41 (27/4/72) | 49.66 (6/1/75) |
| 9 | CONSUMER GOODS (DURABLE) (56) | 125.02 | −1.2 | 14.75 | 6.01 | 10.21 | 10.20 | 126.55 | 127.06 | 128.71 | 128.22 | 47.35 | 128.71 (16/1/76) | 36.59 (6/1/75) | 227.78 (21/4/72) | 36.59 (6/1/75) |
| 10 | Electronics, Radio TV etc. (15) | 142.10 | −1.9 | 15.08 | 3.77 | 11.45 | 11.41 | 144.79 | 145.23 | 147.48 | 146.31 | 56.65 | 147.48 (16/1/76) | 44.28 (6/1/75) | 257.41 (19/6/72) | 42.66 (13/12/74) |
| 11 | Household Goods (14) | 178.22 | −0.5 | 13.64 | 5.99 | 10.77 | 10.74 | 178.83 | 181.44 | 181.70 | 181.55 | 76.66 | 181.70 (16/1/76) | 64.55 (6/1/75) | 263.22 (4/5/72) | 63.92 (17/12/74) |
| 12 | Motors and Distributors (27) | 71.66 | −0.5 | 18.00 | 6.66 | 8.52 | 8.52 | 71.98 | 72.09 | 73.10 | 73.23 | 24.46 | 73.23 (15/1/76) | 19.91 (6/1/75) | 170.89 (15/1/69) | 19.91 (6/1/75) |
| 13 | CONSUMER GOODS (NON-DURABLE) (168) | 154.57 | −1.2 | 12.97 | 5.65 | 11.37 | 11.26 | 156.38 | 157.01 | 159.60 | 159.69 | 60.05 | 159.69 (15/1/76) | 61.98 (6/1/75) | 226.06 (18/8/72) | 61.41 (13/12/74) |
| 14 | Breweries (15) | 168.51 | −1.1 | 13.38 | 6.40 | 11.23 | 11.23 | 170.40 | 172.40 | 175.99 | 174.91 | 95.64 | 175.99 (16/1/76) | 75.58 (6/1/75) | 231.57 (28/11/72) | 69.47 (13/12/74) |
| 15 | Wines and Spirits (7) | 176.93 | −1.2 | 10.46 | 6.70 | 14.50 | 14.50 | 179.14 | 180.87 | 184.81 | 182.65 | 105.16 | 184.81 (16/1/76) | 80.42 (6/1/75) | 257.40 (13/7/72) | 78.81 (12/12/74) |
| 16 | Entertainment, Catering (16) | 194.25 | −1.4 | 11.25 | 6.28 | 14.23 | 15.56 | 196.96 | 198.01 | 201.59 | 200.79 | 73.52 | 201.59 (16/1/76) | 56.28 (6/1/75) | 329.99 (12/12/72) | 54.87 (19/7/74) |
| 17 | Food Manufacturing (22) | 163.44 | −1.3 | 12.96 | 5.06 | 10.80 | 10.73 | 165.51 | 166.75 | 168.64 | 169.09 | 60.72 | 169.49 (13/1/76) | 58.05 (2/1/75) | 211.65 (1/6/72) | 59.70 (11/12/74) |
| 18 | Food Retailing (16) | 144.62 | −0.5 | 10.96 | 4.78 | 13.27 | 13.27 | 145.40 | 145.80 | 147.86 | 147.38 | 77.46 | 155.68 (10/11) | 57.16 (3/1/75) | 235.08 (16/8/72) | 54.25 (11/12/74) |
| 19 | Newspapers, Publishing (15) | 171.50 | −0.4 | 13.32 | 5.89 | 11.24 | 11.24 | 172.24 | 173.61 | 175.08 | 175.30 | 67.47 | 175.30 (15/1/76) | 56.08 (6/1/75) | 350.29 (13/1/72) | 56.08 (6/1/75) |
| 20 | Packaging and Paper (13) | 107.09 | −1.5 | 20.65 | 7.15 | 7.21 | 7.22 | 108.76 | 109.02 | 111.08 | 110.62 | 53.87 | 111.08 (16/1/76) | 45.46 (6/1/75) | 185.69 (26/4/72) | 45.46 (6/1/75) |
| 21 | Stores (33) | 130.35 | −1.4 | 11.56 | 5.19 | 13.21 | 13.21 | 132.27 | 132.85 | 134.64 | 135.21 | 70.64 | 135.21 (15/1/76) | 52.65 (6/1/75) | 204.39 (16/8/72) | 52.63 (6/1/75) |
| 22 | Textiles (22) | 174.10 | −1.1 | 15.69 | 6.20 | 9.40 | 8.82 | 176.06 | 176.85 | 178.61 | 179.35 | 77.75 | 179.35 (15/1/76) | 62.91 (6/1/75) | 263.72 (17/9/68) | 62.06 (11/12/74) |
| 23 | Tobaccos (3) | 222.29 | −0.8 | 15.61 | 6.07 | 9.75 | 9.75 | 224.03 | 224.47 | 227.80 | 229.20 | 126.60 | 230.68 (12/1/76) | 109.92 (6/1/75) | 359.16 (2/8/72) | 94.34 (13/6/62) |
| 24 | Toys and Games (6) | 59.72 | −0.4 | 22.84 | 6.66 | 6.10 | 6.10 | 59.98 | 60.44 | 61.33 | 61.33 | 26.77 | 63.76 (20/11) | 20.98 (6/1/75) | 135.72 (16/1/70) | 20.92 (6/1/75) |
| | OTHER GROUPS (94) | | | | | | | | | | | | | | | |
| 25 | Chemicals (24) | 207.41 | −0.6 | 13.50 | 4.64 | 10.39 | 10.39 | 208.11 | 208.94 | 211.72 | 212.06 | 92.51 | 212.06 (15/1/76) | 73.14 (6/1/75) | 212.06 (15/1/76) | 71.20 (1/12/74) |
| 26 | Office Equipment (10) | 97.53 | −2.4 | 15.74 | 5.55 | 10.20 | 10.20 | 98.39 | 94.21 | 96.55 | 98.38 | 58.68 | 104.78 (17/4) | 45.34 (2/1/75) | 246.06 (1/9/72) | 45.34 (2/1/75) |
| 27 | Shipping (12) | 394.90 | −0.5 | 19.09 | 6.15 | 6.70 | 6.44 | 392.89 | 389.17 | 396.35 | 391.66 | 232.78 | 404.18 (13/11) | 194.38 (6/1/75) | 517.00 (6/12/72) | 90.80 (29/6/62) |
| 28 | Miscellaneous (48) | 166.55 | −0.2 | 14.25 | 6.58 | 10.35 | 10.32 | 166.86 | 165.68 | 168.67 | 166.39 | 75.20 | 168.87 (16/1/76) | 60.39 (6/1/75) | 258.83 (2/5/72) | 60.39 (6/1/75) |
| 29 | INDUSTRIAL GROUP (496) | 156.52 | −0.9 | 15.99 | 5.55 | 10.46 | 10.42 | 158.02 | 158.44 | 160.91 | 160.66 | 75.27 | 160.91 (16/1/76) | 59.19 (6/1/75) | 220.17 (1/5/72) | 59.01 (13/12/74) |
| 30 | OILS (4) | 332.10 | −1.4 | 15.15 | 4.66 | 7.57 | 5.60 | 336.94 | 340.13 | 339.56 | 341.02 | 140.75 | 351.71 (9/1/76) | 105.83 (2/1/75) | 431.66 (29/5/69) | 87.23 (29/6/62) |
| 31 | 500 SHARE INDEX | 171.25 | −1.0 | 14.16 | 5.44 | [illegible] | 9.60 | 173.02 | 173.65 | 175.91 | 175.79 | 80.86 | 175.91 (16/1/76) | 63.49 (6/1/75) | 227.95 (16/8/72) | 63.49 (13/12/74) |
| 32 | FINANCIAL GROUP (100) | 145.65 | −1.0 | — | 4.86 | — | — | 147.18 | 146.39 | 147.76 | 147.17 | 72.88 | 148.45 (20/5) | 56.50 (6/1/75) | 241.41 (11/4/72) | 55.88 (13/12/74) |
| 33 | Banks (6) | 180.90 | −0.4 | 16.11 | 4.45 | 9.48 | 9.48 | 181.71 | 178.85 | 176.80 | 178.58 | 80.72 | 181.71 (20/1) | 62.56 (2/1/75) | 288.32 (20/7/72) | 62.44 (12/12/74) |
| 34 | Discount Houses (10) | 176.09 | +0.4 | — | 6.98 | — | — | 175.44 | 183.79 | 184.96 | 184.41 | 111.78 | 186.52 (13/1/76) | 84.13 (6/1/75) | 293.13 (2/7/72) | 81.40 (10/12/74) |
| 35 | Hire Purchase (5) | 118.72 | −1.3 | — | 5.86 | — | — | 120.24 | 120.36 | 119.87 | 118.87 | 59.23 | 134.39 (10/6) | 42.81 (6/1/75) | 433.72 (4/5/72) | 38.83 (11/12/74) |
| 36 | Insurance (Life) (9) | 125.81 | −1.6 | — | 5.43 | — | — | 127.84 | 127.35 | 129.26 | 128.58 | 65.24 | 129.31 (18/11) | 44.88 (2/1/75) | 194.46 (16/3/72) | 44.88 (2/1/75) |
| 37 | Insurance (Composite) (7) | 115.20 | −1.5 | — | 6.06 | — | — | 114.87 | 114.46 | 116.68 | 116.55 | 57.57 | 123.90 (20/5) | 44.47 (2/1/75) | 155.76 (21/4/72) | 43.96 (13/12/74) |
| 38 | Insurance (Brokers) (9) | 223.99 | −0.6 | 9.25 | 4.08 | 16.30 | 16.30 | 225.32 | 227.20 | 229.60 | 228.09 | 101.05 | 232.39 (18/11) | 68.96 (7/1/75) | 262.37 (12/12/72) | 65.86 (16/12/74) |
| 39 | Merchant Banks (17) | 90.51 | −0.8 | — | 6.08 | — | — | 91.31 | 92.19 | 92.39 | 92.09 | 44.01 | 94.97 (7/3) | 31.21 (7/1/75) | 278.57 (1/5/72) | 31.21 (7/1/75) |
| 40 | Property (32) | 163.14 | −1.5 | 2.66 | 2.56 | 68.33 | 64.60 | 165.67 | 168.06 | 169.02 | 169.01 | 108.48 | 241.22 (22/4) | 86.19 (7/1/75) | 357.40 (9/11/73) | 56.01 (20/4/65) |
| 41 | Miscellaneous (5) | 85.85 | — | 15.96 | 6.46 | 9.04 | 9.04 | 83.85 | 84.27 | 85.73 | 85.59 | 43.16 | 86.72 (9/1/76) | 34.78 (10/1/75) | 305.13 (18/6/72) | 33.29 (17/12/74) |
| 42 | Investment Trusts (50) | 177.51 | −0.8 | 2.83 | 4.05 | 35.30 | 35.28 | 179.02 | 181.37 | 184.29 | 184.40 | 95.18 | 184.40 (15/1/76) | 73.43 (6/1/75) | 245.79 (25/4/72) | 71.63 (13/12/74) |
| 43 | ALL-SHARE INDEX (650) | 165.09 | −1.0 | — | 5.25 | — | — | 166.78 | 167.20 | 169.29 | 169.08 | 79.45 | 169.29 (16/1/76) | 62.16 (6/1/75) | 228.18 (1/5/72) | 61.92 (13/12/74) |
| | COMMODITY GROUPS (Not included in 500 or All-Share indices) | | | | | | | | | | | | | | | |
| 44 | Rubbers (9) | 421.23 | −0.8 | 15.22 | 7.95 | 10.09 | 10.06 | 418.03 | 418.24 | 425.66 | 418.14 | 307.65 | 525.43 (25/6) | 281.66 (2/1/75) | 555.37 (23/7/73) | 84.68 (26/8/66) |
| 45 | Teas (9) | 119.07 | +0.1 | 39.70 | 6.70 | 3.70 | 3.54 | 118.91 | 118.91 | 119.15 | 119.01 | 77.58 | 124.57 (11/11) | 76.76 (10/1/75) | 124.57 (11/11/75) | 59.72 (17/10/74) |
| 46 | Coppers (3) | 263.95 | −0.8 | 37.44 | 6.51 | 2.67 | 2.67 | 265.37 | 273.86 | 277.82 | 278.32 | 374.38 | 467.74 (27/5) | 251.97 (5/12/75) | 567.78 (13/7/73) | 94.08 (29/4/62) |
| 47 | Mining Finance (11) | 111.96 | — | 10.56 | 4.49 | 10.70 | 10.70 | 112.00 | 113.34 | 115.60 | 115.83 | 80.58 | 141.34 (30/5) | 80.58 (22/1) | 175.90 (22/4/68) | 66.31 (30/9/74) |
| 48 | Tins (8) | 89.84 | −0.7 | 13.92 | 10.05 | 10.25 | 9.62 | 90.50 | 90.61 | 91.73 | 92.10 | 66.34 | 114.49 (3/6) | 58.91 (2/1/76) | 125.43 (12/1/73) | 54.85 (27/6/71) |
| 49 | Overseas Traders (13) | 231.03 | −0.6 | 14.51 | 14.52 | 8.82 | 8.81 | 232.53 | 234.05 | 237.13 | 237.12 | 113.11 | 252.23 (20/5) | 97.37 (6/1/75) | 252.23 (20/5/75) | 97.37 (6/1/75) |

| | FIXED INTEREST | Wed., Jan. 21 Index No. | Wed., Jan. 21 Yield % | Tuesday Jan. 20 | Mon. Jan. 19 | Friday Jan. 16 | Thurs. Jan. 15 | Wed. Jan. 14 | Tuesday Jan. 13 | Monday Jan. 12 | Year ago (approx.) | 1975/76 High | 1975/76 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Consols. 2½% yield | — | 13.88 | 13.78 | 13.78 | 13.67 | *13.66 | 13.75 | 13.65 | 13.68 | ‡15.60 | — | — | — | — |
| 2 | 20-yr. Govt. Stocks (6) | 50.06 | ‡13.01 | 50.63 | 50.89 | 51.14 | 51.00 | 50.89 | 51.04 | 51.14 | 43.36 | 53.09 (20/3) | 38.27 (3/1/75) | 115.42 (11/9/63) | 38.27 (3/1/75) |
| 3 | 20-yr. Red. Deb. & Loans (15) | 50.33 | ‡14.69 | 50.42 | 50.48 | 50.37 | 50.37 | 50.03 | 49.85 | 49.70 | 39.86 | 50.68 (21/3) | 37.01 (3/1/75) | 113.43 (25/10/63) | 37.01 (3/1/75) |
| 4 | Investment Trust Prefs. (15) | 49.66 | 13.27 | 49.77 | 49.77 | 49.77 | 49.40 | 49.40 | 49.35 | 49.00 | 40.29 | 49.86 (21/1/76) | 35.36 (3/1/75) | 114.41 (13/9/63) | 34.45 (4/12/74) |
| 5 | Coml. and Indl. Prefs. (20) | 69.43 | 13.56 | 69.66 | 69.95 | 69.74 | 69.60 | 69.62 | 68.62 | 68.79 | 55.29 | 69.95 (19/1/76) | 47.67 (6/1/75) | 114.95 (7/10/63) | 47.67 (6/1/75) |

| Section or Group | Base Date | Base Value | Section or Group | Base Date | Base Value |
|---|---|---|---|---|---|
| Overseas Traders | 31/12/74 | 100.00 | Food Manufacturing | 29/12/67 | 114.13 |
| Engineering (Heavy) | 31/12/71 | 153.84 | Food Retailing | 29/12/67 | 114.13 |
| Engineering (General) | 31/12/71 | 153.84 | Insurance Brokers | 29/12/67 | 96.67 |
| Wines and Spirits | 16/1/70 | 144.76 | Mining Finance | 29/12/67 | 100.00 |
| Toys and Games | 16/1/70 | 135.72 | All Other | 10/4/62 | 100.00 |
| Office Equipment | 16/1/70 | 162.74 | | | |
| Industrial Group | 31/12/70 | 128.20 | | | |
| Miscellaneous Financial | 31/12/70 | 128.06 | | | |

‡ Redemption yield. FT-Actuaries indices are calculated by Exchange Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGE: Walmsley Bury has been replaced by Kleeman Industrial Holdings (Engineering (General)). * Corrected.

## ACTIVE STOCKS

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1975/6 high | 1975/6 low |
|---|---|---|---|---|---|---|
| ICI | £1 | 16 | 355 | −5 | 366 | 118 |
| Barclays Bank | £1 | 15 | 330 | — | 330 | 112 |
| Shell Transport | 25p | 13 | 382 | −8 | 404 | 116 |
| GKN | £1 | 12 | 273 | −6 | 281 | 95 |
| Midland Bank | £1 | 12 | 303 | −3 | 308 | 122 |
| Unilever | 25p | 12 | 428 | −4 | 454 | 170 |
| BP | £1 | 11 | 580 | −5 | 615 | 190 |
| Marks & Spencer | 25p | 11 | 104 | −1 | 128 | 47½ |
| Thorn Elec. 'A' | 25p | 11 | 234 | −4 | 246 | 77 |
| Bass Charrington | 25p | 10 | 107 | −3 | 113 | 47 |
| Boots | 25p | 10 | 131 | −6 | 148 | 45½ |
| Commercial Un. | 25p | 10 | 146 | −5 | 164 | 72 |
| Dunlop | 50p | 10 | 73 | −2 | 78 | 17 |
| GEC | 25p | 10 | 151 | −4 | 156 | 51 |
| Grand Met. | 50p | 10 | 81½ | −1½ | 86 | 17½ |

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1)(e).

## Option Report—3-month Call rates

OPTION DEALING DATES

| First Deal-ings | Last Deal-ings | Last Declara-tion | For Settle-ment |
|---|---|---|---|
| Jan. 20 | Feb. 2 | Apr. 14 | Apr. 28 |
| Feb. 3 | Feb. 16 | Apr. 29 | May 11 |
| Feb. 17 | Mar. 1 | May 13 | May 25 |

"Calls" were done in Lonrho, CCH Investments, Imperial Group, Royco, Newman Industries, National Westminster Bank Warrants, Charterhouse Finance, J. H. Dennis, Town and Commercial, National Carbonising, Burmah Oil, Christie Tyler, Silvermines, Rentokil, ICI, Dunlop and F. W. Woolworth. A "put" was dealt in Wearwell, while "doubles" were arranged in National Carbonising, Bryant, British Land, Wearwell and National Westminster Bank Warrants.

| Industrials | | | | | | | |
|---|---|---|---|---|---|---|---|
| A. P. Cement | [illegible] | Guardian | [illegible] | Spillers | [illegible] | Shell | [illegible] |
| Assoc. Leisure | [illegible] | G.K.N. | [illegible] | Tesco | [illegible] | Ultramar | [illegible] |
| Barclays Bank | [illegible] | Hawker Sidd. | [illegible] | Thorn "A" | [illegible] | | |
| Beecham | [illegible] | House of Fraser | [illegible] | Trust Houses | [illegible] | Mines | |
| Boots Drug | [illegible] | I.C.I. | [illegible] | Unilever | [illegible] | Anglo Amer. | [illegible] |
| Bowater | [illegible] | "Imps" | [illegible] | Utd. Drapery | [illegible] | Charter Cons. | [illegible] |
| B.A.T. | [illegible] | I.C.L. | [illegible] | Vickers | [illegible] | Charter Cons. | [illegible] |
| British Leyland | [illegible] | Inveresk | [illegible] | Woolworths | [illegible] | De Beers Def. | [illegible] |
| BOC Intl. | [illegible] | Ladbroke | [illegible] | | | F. S. Geduld | [illegible] |
| Burton 'A' | [illegible] | Lex Service | [illegible] | Property | | Free State Dev. | [illegible] |
| Cadburys | [illegible] | Lloyds Bank | [illegible] | Brit. Land | [illegible] | Hampton Areas | [illegible] |
| Courtaulds | [illegible] | "Lots" | [illegible] | Cap. Counties | [illegible] | Harmony | [illegible] |
| Debenhams | [illegible] | Marks & Spncr. | [illegible] | Intereuropean | [illegible] | Lonrho | [illegible] |
| Distillers | [illegible] | Nat. West Bank | [illegible] | Land Securities | [illegible] | Loraine | [illegible] |
| Dunlop | 6½ | "Do" Warrants | 10 | MEPC | 9 | Poseidon | 55 |
| Eagle Star | 15 | P & O Dfd. | 11 | Peachey | 6 | Pres. Steyn | 275 |
| E.M.I. | 17 | Plessey | 8 | Town & City | 4½ | Rio T. Zinc | 20 |
| Gen. Accident | 15 | R.H.M. | 6 | Town & Comm. | 4 | Welkom | 55 |
| Gen. Electric | 15 | Rank Org. 'A' | 16 | | | WestAreas | 75 |
| Glaxo | 35 | Reed Int'l | 23 | Oils | | Western M'ng | 18 |
| Grand Met | 7 | Rothmans | 4 | Brit. Petroleum | 42 | | |
| G.U.S. 'A' | 17 | Slater Walker | 5½ | Burmah Oil | 4 | | |

## NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975-76.

NEW HIGHS (68)

BRITISH FUNDS (1)
Exchqr. 6½pc 1978
INTERNATIONAL BANK (1)
5pc Stock '77-82
LOANS (Misc.) (1)
FOREIGN BONDS (1)
AMERICANS (21)
CANADIANS (1)
BANKS (1)
BUILDING (1)
CHEMICALS (1)
STORES (3)
ELECTRICALS (1)
ENGINEERING (1)
INDUSTRIALS (18)
TEXTILES (1)
TRUSTS (1)
MINES (4)

NEW LOWS (5)
ENGINEERING (1)
TRUSTS (1)
MINES (1)

## RISES AND FALLS YESTERDAY

| | Up | Down | Same |
|---|---|---|---|
| British Funds | [illegible] | [illegible] | [illegible] |
| Corpns. Dom. and Foreign Bonds | 4 | 23 | 47 |
| Industrials | 190 | 907 | 1,012 |
| Financial and Prop. | 83 | 254 | 283 |
| Oils | 2 | 3 | 19 |
| Plantation | 15 | 1 | 35 |
| Mines | 50 | 26 | 76 |
| Recent Issues | 4 | 13 | 12 |
| Totals | 319 | 863 | 1,508 |

## BASE LENDING RATES

AFI International
Allied Irish Banks L
Anglo-Portuguese Bk
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone
Barclays Bank
Barnett Christie Ltd
Bremar Holdings
Brit. Bank of Mid. East
■ Brown Shipley
Cayzer Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of Scotland
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept.
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Sterling Credit
Thames Guaranty
Trade Development Bank
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%.
† 7-day deposits on sums of under £25,000 ... over £25,000 ...
§ Demand deposits ...

CORAL INDEX
Close 388-393

I.G. INDEX
GOLD 123½-126

## MONEY MARKET

# Exceptional assistance

**Bank of England Minimum Lending Rate 10¾ per cent.**
**(since January 16, 1976)**

Day-to-day credit was in very short supply in the London money market yesterday and the authorities gave an exceptionally large amount of assistance by buying Treasury bills from the discount houses and banks, and by purchases of Corporation bills from the houses. Banks carried forward surplus balances from Tuesday and the market was also helped by a fall in the note circulation. On the other hand there was a net market take-up of Treasury bills, very large revenue payments to the Exchequer exceeded Government disbursements, and the market was also faced with maturing local authority bills, and settlement of small gilt-edged sales.

Discount houses paid 10½-10¾ per cent. for secured call loans in the early part, and closing balances were taken at 10½ per cent.

In the inter-bank market overnight loans ranged between 10⅝ per cent. and 10⅞ per cent.

Short-term fixed period interest rates were generally slightly firmer.

Rates in the table below are nominal in some cases.

| Jan 21 1976 | Sterling Certificates of deposits | Interbank | Local Authority deposit* | Local Auth. negotiable bonds | Finance House deposit | Company deposits | Discount market deposits | Treasury bills ♦ | Bank bills ♦ | Fine trade bills ♦ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 10⅝-10⅞ | — | — | — | 10½-11½ | 10¼-10¾ | — | — | — |
| 2 days notice | — | — | 10¼-10⅜ | — | — | — | — | — | — | — |
| 7 days or 7 days notice | — | 10⅝-10⅝ | 10⅜-10½ | — | — | — | 10½-10¾ | — | — | — |
| One month | 10$\frac{7}{16}$-10$\frac{5}{16}$ | 10$\frac{7}{16}$-10$\frac{5}{16}$ | 10¼-10⅜ | 11-10¼ | 10½-11½ | — | 10-10⅛ | 9$\frac{31}{32}$-9$\frac{15}{16}$ | 10⅜ | 11-10⅞ |
| Two months | 10⅜-10¼ | 10$\frac{5}{16}$-10⅜ | — | 10¾-10¼ | 10-12 | — | 9⅞-10 | 10$\frac{1}{16}$-10 | 10$\frac{1}{16}$ | 11-10¾ |
| Three months | 10¼-10$\frac{1}{16}$ | 10⅛-10¼ | 10⅛-10¼ | 10¾-10¼ | 10-12 | — | 9¾-9⅞ | 10$\frac{1}{32}$-9$\frac{31}{32}$ | 10$\frac{1}{16}$ | 11-10⅝ |
| Six months | 10⅛-10 | 9⅞-10$\frac{1}{16}$ | 10¼ | 10⅛-10 | 10-12 | — | — | — | 9$\frac{31}{32}$-9⅞ | 11-10⅝ |
| Nine months | 10⅛-10 | 9$\frac{15}{16}$-10⅛ | — | 10⅛-10 | 10-12 | — | — | — | — | — |
| One year | 10¼-10⅛ | 10⅛-10$\frac{1}{16}$ | 10⅞-11 | 10⅛-10 | 10-12 | — | — | — | — | — |
| Two years | — | — | 11¾-11⅞ | — | — | — | — | — | — | — |

* Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12¾-12⅞ per cent.; four years 13-13¼ per cent.; five years 13⅜-13½ per cent. ♦ Bank bill rates in table are buying rates for prime paper, buying rates for four-month bank bills 9$\frac{15}{16}$-9⅞ per cent.; and four month trade bills 11-10⅞ per cent. Approximate selling rates for one-month Treasury bills 9⅞-9$\frac{27}{32}$ per cent.; two month 9$\frac{31}{32}$-9¾ per cent.; three-month 9$\frac{29}{32}$-9⅞ per cent. Approximate selling rate for one month Bank bills 10⅛ per cent.; two-month 10$\frac{1}{16}$ per cent.; and three-month 9$\frac{31}{32}$-9$\frac{15}{16}$ per cent.; for one-month trade bills 10¾-10⅝ per cent.; two-month 10⅞-10⅝ per cent., and three-month 10⅝-10⅞ per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from January 1. Clearing Bank Deposit Rate for small sums at seven days' notice 6¾ per cent. Clearing Bank Rates for lending 10½ per cent. Treasury Bills: Average tender rates of discount 10.0645 per cent.

## INSURANCE BASE RATES

† Atlantic Assurance
Cannon Assurance
† Address shown under Insurance and Property Bond table

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# AUTHORISED UNIT TRUSTS

## REGIONAL MARKETS

## ·EADERS AND LAGGARDS

+151.48 Coppers — 30.35
+169.33 Gold Mines F.T. — 44.24
+148.04 * Percentage changes based on Tuesday, January 20, 1976 Indices.

# INSURANCE, PROPERTY, BONDS

# OFFSHORE AND OVERSEAS FUNDS

NOTES

# FT SHARE INFORMATION SERVICE

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

[illegible]

## INTERNATIONAL BANK

[illegible]

## CORPORATION LOANS

[illegible]

## COMMONWEALTH & AFRICAN LOANS

[illegible]

## LOANS (Miscel.)

[illegible]

## FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

## AMERICANS

[illegible]

S.E. List Premium 69% (based on $2.0250 per £)

## CANADIANS

[illegible]

S.E. List Premium 69% (based on $2.0200 per £)

Conversion factor 0.6024 (0.6024)

## BANKS AND HIRE PURCHASE

[illegible]

### Hire Purchase, etc.

[illegible]

## BEERS, WINES AND SPIRITS

[illegible]

## BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

## BUILDING INDUSTRY—Continued

[illegible]

## CHEMICALS, PLASTICS

[illegible]

## CINEMAS, THEATRES AND TV

[illegible]

## DRAPERY AND STORES

[illegible]

## DRAPERY AND STORES—Continued

[illegible]

## ELECTRICAL AND RADIO

[illegible]

## ENGINEERING, MACHINE TOOLS

[illegible]

## ENGINEERING—Cont.

[illegible]

## FOOD, GROCERIES, ETC.

[illegible]

## HOTELS & CATERERS

[illegible]

## HOTELS—Continued

[illegible]

## INDUSTRIALS (Miscel.)

[illegible]

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## INDUSTRIALS—Continued

[illegible]

## ††INSURANCE

[illegible]

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

[illegible]

### Commercial Vehicles

[illegible]

### Components

[illegible]

### Garages and Distributors

[illegible]

## NEWSPAPERS, PUBLISHERS

[illegible]

## PAPER, PRINTING, ADVERTISING

[illegible]

## PROPERTY

[illegible]

## PROPERTY—Continued

[illegible]

## SHIPBUILDERS, REPAIRERS

[illegible]

## SHIPPING

[illegible]

## SHOES AND LEATHER

[illegible]

## SOUTH AFRICANS

[illegible]

## TEXTILES

[illegible]

## TOBACCOS

[illegible]

## TRUSTS, FINANCE, LAND

### Investment Trusts

[illegible]

## TRUSTS—Continued

[illegible]

### Trusts, Finance, Land, etc.

[illegible]

## OILS

[illegible]

## OVERSEAS TRADERS

[illegible]

## RUBBERS AND SISALS

[illegible]

## TEAS

### India and Bangladesh

[illegible]

### Sri Lanka

[illegible]

### Africa

[illegible]

## MINES

### CENTRAL RAND

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| £14¼ | 250 | Durban Deep R1 | 310 | ...... | Q20c | ♦ | 3.6 |
| £14 | 440 | E. Rand Prp. R1 | 440 | ...... | Q35c | ♦ | 4.4 |
| 105 | 16 | Rand Leases 2½c | 16 | ...... | — | — | — |
| £34½ | £12¾ | Randf'tn Est. R2 | £13½ | +¼ | — | — | — |
| 500 | 120 | West Rand R1 | 130 | ...... | Q10c | ♦ | 4.2 |

### EASTERN RAND

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 370 | 160 | Bracken R1 | 168 | +8 | Q52c | 1.0 | 17.1 |
| 23 | 5 | Daggafontein 50c | 7 | ...... | — | — | — |
| 105 | 25 | East Dag R1 | 25 | ...... | — | — | — |
| 140 | £ | Grnt. Areas 5c | 140# | ...... | — | — | — |
| 380 | 100 | Grootvlei 30c | 100 | ...... | Q20c | ♦ | 11.1 |
| 820 | 385 | Kinross R1 | 410 | +20 | Q54c | 1.4 | 7.3 |
| 90 | 52 | Leslie 70c | 56 | +3 | Q18c | 1.4 | 17.8 |
| 550 | 150 | Marievale 70c | 155 | +5 | Q42c | ♦ | 15.0 |
| 725 | 155 | S. African Ld. 35c | 155 | ...... | Q30e | ♦ | 10.7 |
| 265 | 80 | Vlakfontein R1 | 85 | +5 | Q30c | ♦ | 13.0 |
| £13¾ | 660 | Winkelhaak R0 | 735 | +10 | Q108 | 1.1 | 8.1 |
| 120 | 28 | Wit. Nigel 25c | 29 | +1 | — | — | 1.4 |

### FAR WEST RAND

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| £11 | 575 | Blyvoor 25 | 600 | +25 | †Q100c | 1.3 | ‡ |
| £21½ | £11 | Buffels R1 | £11½ | +½ | Q180c | 1.4 | 8.6 |
| 430 | 170 | Deelkraal R0.20 | 170 | ...... | — | — | — |
| £14¼ | 580 | Doornfontein R1 | 610 | +30 | †Q110c | 1.4 | ‡ |
| £12¾ | 725 | East Drie R1 | 820 | +35 | Q75c | ♦ | 5.1 |
| 380 | 230 | Elandsr'd Gld Mng 20c | 230 | −5 | — | — | — |
| 450 | 150 | Elsburg R1 | 155 | +5 | Q33.8c | ♦ | 12.0 |
| £31 | £13 | Hartebeest R1 | £13¾ | +¼ | Q215c | 1.4 | 9.0 |
| £13¼ | 530 | Kloof Gold R1 | 580 | +40 | Q55c | 1.4 | 5.2 |
| £17¼ | 500 | Libanon R1 | 530 | +30 | †Q110c | 1.9 | ‡ |
| £13¾ | 495 | Southvaal 50c | 540 | +45 | Q8c | ♦ | 0.8 |
| 480 | 200 | Stilfontein 50c | 210 | +5 | Q36c | ♦ | 9.5 |
| £33¼ | £16¾ | Vaal Reefs 50c | £17¾ | +1 | Q175c | ♦ | 5.4 |
| £11½ | 280 | Venterspost R1 | 315 | +15 | †Q70c | 1.9 | ‡ |
| £55 | £27¾ | W. Drie R1 | £28½ | +¼ | †Q405c | 1.2 | ‡ |
| 745 | 240 | W'st'rn Areas R1 | 245 | +5 | Q52c | ♦ | 11.7 |
| £23 | £12 | Western Deep R2 | £12¾ | +¼ | Q147½c | ♦ | 6.7 |
| 536 | 240 | Zandpan R1 | 245 | ...... | Q35½c | 1.0 | 8.1 |

### O.F.S.

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 400 | 160 | Fr. State Dev. 50c | 160 | ...... | Q14c | 1.6 | 4.8 |
| £32¾ | £18¾ | F.S. Geduld 50c | £19½ | +¼ | 330c | 1.3 | 9.3 |
| 265 | 93 | F.S. Saaiplaas R1 | 93 | −1 | 26c | 2.6 | 3.6 |
| 960 | 390 | Harmony 50c | 415 | +20 | Q77c | 1.8 | 10.2 |
| 575 | 118 | Loraine R1 | 128 | +10 | Q6c | 0.5 | 2.6 |
| £28¼ | £15 | Pres. Brand 50c | £15¾ | +¼ | Q250c | 1.3 | 8.8 |
| £25¾ | 975 | Pres. Steyn 50c | £10⅛ | + | Q125c | 2.2 | 6.8 |
| £39¾ | £18¾ | St. Helena R1 | £19 | +¼ | Q250c | 1.2 | 7.3 |
| 340 | 135 | Unisel | 138 | +2 | — | — | — |
| 525 | 245 | Welkom 50c | 260 | +10 | Q55c | 1.7 | 11.7 |
| £40 | £21½ | W. Holdings 50c | £21¾ | +¼ | Q475c | 1.2 | 12.7 |

### FINANCE

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 520 | 313 | Ang. Amer. 10c | 320 | +5 | Q29c | 2.0 | 5.0 |
| £45½ | £24½ | Ang. Am. Gold R1 | £25¼ | +¼ | †Q250c | 1.4 | 5.4 |
| £16¼ | 850 | Ang-Vaal 50c | £12 | +¼ | †Q95c | 3.7 | 4.2 |
| 205 | 87 | Charter Cons. | 181 | −9 | 6.71 | 2.2 | 5.5 |
| 290 | 188 | Cons. Gold Field | 201 | ...... | 6.7 | 4.3 | 5.1 |
| 32 | 17 | E. Rand Con. 10p | 18 | ...... | 0.92 | 1.4 | 7.9 |
| 435 | 230 | Geduld Inv. R1 | 300 | ...... | †Q34c | 0.4 | 6.3 |
| £38¼ | £17 | Gen. Mining R2 | £23 | −½ | †Q210c | 2.1 | 5.7 |
| £39 | £18½ | G. Fields S.A. 25c | £19 | +½ | Q225c | 1.3 | 6.5 |
| £27¼ | £12 | Jo'burg Cons. R2 | £22½ | ...... | Q165c | 2.5 | 4.0 |
| 530 | 60 | Middle Wit 25c | 310 | ...... | †Q28c | 2.8 | 5.8 |
| 315 | 182 | Minorco SBD1.40 | 225 | +2 | Q14c | — | 3.4 |
| 305 | 140 | New Wit 50c | 140 | ...... | Q20c | 1.6 | 7.9 |
| £11 | 710 | Patino NV Fl.5 | 815 | +5 | QC40c | 18.5 | 2.4 |
| £11 | 660 | Rand Selection 50c | 680 | −10 | Q75c | 1.5 | 6.3 |
| 695 | 320 | Selection Trust | 535 | ...... | 14.0 | 2.0 | 4.0 |
| 450 | 183 | Sentrust 10c | 183 | −2 | Q30c | 1.2 | 9.1 |
| 81 | 27 | Silvermines 2½p | 31 | ...... | ‡a4.0 | 1.6 | ‡ |
| 170 | 100 | SW Africa 20p | 100 | −10 | 17.87 | 2.0 | 27.5 |
| £14 | 560 | T'vaal Cons. Ld. R1 | £11½ | ...... | Q65c | 2.0 | 9.1 |
| 475 | 240 | U.C. Invest R1 | 250 | +10 | Q36c | 1.2 | 8.8 |
| 580 | 355 | Union Crp. 6.25c | 410 | +10 | Q42c | 1.6 | 5.7 |

For Ver'n'ng see Ang. Am. Coal under Recents

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 105 | 30 | Vogels 2½p | 68 | −2 | Q6c | 1.0 | 4.9 |

### DIAMOND AND PLATINUM

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| £35 | £15¼ | Anglo-Am. Inv. 50c | £31 | ...... | Q290c | 1.0 | 5.2 |
| 146 | 48 | Bishopsgate Pt. 10c | 98 | ...... | Q3.1 | ♦ | 1.7 |
| 335 | 161 | De Beers Df. 5c | 316 | +4 | Q25c | 2.2 | 4.4 |
| £17 | £11½ | Do. 40pc Pf. R5 | £14 | ...... | 1.10 | 125.5 | 7.2 |
| 152 | 80 | Lydenburg 12½c | 132 | −3 | Q2.9c | ♦ | 1.4 |
| 248 | 100 | Pot. Plat. 2½c | 177 | −1 | Q5c | 1.0 | 1.6 |
| 212 | 94 | Union Plat. 10c | 140 | ...... | Q4.96c | 1.0 | 1.9 |
| 212 | 95 | Waterval 5c | 140 | ...... | Q5.2c | 1.0 | 2.1 |

### CENTRAL AFRICAN

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 345 | 130 | Coronation 25c | 130 | ...... | Q34c | 2.1 | 14.5 |
| 250 | 115 | Falcon Rh. 50c | 115 | ...... | †Q35c | 1.3 | — |
| 52 | 32 | Globe Phnix 12½p | 38 | ...... | 1.25 | ♦ | 5.1 |
| 24 | 14 | Rhn.-Corp. 16⅔p | 16 | ...... | Q5 | 8.0 | 5.2 |
| 440 | 150 | Roan Cons. K4 | 160 | ...... | ‡Q16.0 | 4.7 | ‡ |
| 230 | 92 | Tanganyika 50p | 166 | −2 | ‡Q26 | 1.2 | ‡ |
| 75 | 60 | Do. Pref. 80p | 68 | ...... | Q9 | 18.0 | 11.1 |
| 45 | 26½ | Wankie Col. Rh. 1 | 44 | −1 | Q6½c | 1.3 | 10.0 |
| 70 | 31 | Zam. Cpr. SBD0.24 | 37 | ...... | Q1.90 | 3.2 | 5.1 |

### AUSTRALIAN

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 28 | 10 | Acmex 25c | 20 | ...... | — | — | — |
| 144 | 95 | A. M. and S. 50c | 141 | ...... | ‡Q14c | 1.5 | ‡ |
| 122 | 74 | Bougainville 50c | 117 | +6 | Q27½c | 1.4 | ‡ |
| 242 | 145 | BH South 50c | 185 | +10 | — | — | — |
| 215 | 55 | Gold M. Kalg. $1 | 60 | −10 | — | — | — |
| 85 | 36 | Gt. Boulder 10c | 75 | ...... | ♦Q2c | 2.8 | 1.5 |
| 137 | 60 | Hamptn Areas 5p | 74 | −1 | 1.18 | 4.2 | 2.5 |
| 115 | 30 | Metals Ex. 50c | 42 | +3 | — | — | — |
| 43 | 14 | Metramar 20c | 18 | ...... | — | — | — |
| 246 | 117 | M.I.M. Hldgs. 50c | 229 | +4 | Q10c | 1.8 | 2.5 |
| 135 | 80 | M. Lyell 25c | 90 | ...... | Q5c | ♦ | 3.2 |
| 3 | 1½ | Newmetal 10c | 2½ | ...... | — | — | — |
| 162 | 102 | North B. Hill $1 | 162 | +2 | Q9c | 1.4 | 3.1 |
| 16½ | 7 | North Kalg. 50c | 8 | ...... | — | — | — |
| 88 | 47 | Oakbridge $A0 | 70 | +1 | Q8c | 0.9 | 6.6 |
| 21 | 8 | Pacific Cppr. 25c | 16 | ...... | — | — | — |
| £10¼ | 220 | Pancont'l 25c | £10½ | ...... | — | — | — |
| 25 | 9 | Paringa M&Ex. 5p | 12 | ...... | — | — | — |
| 495 | 235 | Peko-Walls'd 50c | 455 | −5 | Q15c | ♦ | 1.9 |
| 345 | 144 | Poseidon 20c | 165 | ...... | — | — | — |
| 26 | 8 | Vultan Min. 50c | 12 | ...... | — | — | — |
| 9 | 4 | Westmex 10c | 7 | ...... | — | — | — |
| 214 | 137 | W. Mining 50c | 153 | +1 | ‡Q8c | 6.8 | 3.9 |
| 54 | 24 | Whim Creek 20c | 46 | −4 | — | — | — |

### TINS

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 56 | 32 | Amal. Nigeria | 45 | ...... | 5.62 | 1.6 | 19.2 |
| 175 | 77 | Ayer Hitam | 165 | −2 | 13.0 | 1.8 | 12.1 |
| 36 | 10 | Beralt Tin | 19½ | +½ | 21.75 | — | 13.8 |
| 424 | 268 | Berjuntai $M25 | 330 | ...... | ‡Q5M2 | ♦ | ‡ |
| 18 | 13 | Ex Lands 10p | 16 | ...... | 15 | 3.8 | 14.4 |
| 246 | 153 | Geevor | 155 | ...... | 12 | 2.3 | 11.9 |
| 18 | 8 | Gold & Base 12½p | 12 | ...... | — | — | — |
| 288 | 157 | Gopeng Cons. | 180 | ...... | ‡14.25 | ♦ | ‡ |
| 73 | 55 | Hongkong | 64 | ...... | — | — | — |
| 58 | 40 | Idris 10p | 58 | ...... | 6.7 | 2.2 | 18.7 |
| 11 | 7 | Jantar 12½p | 7 | ...... | — | — | — |
| 68 | 34 | Kamunting 15p | 34 | ...... | 7.0 | 1.2 | 31.6 |
| 175 | 135 | Killinghall | 135 | ...... | Q50.0 | ♦ | 37.0 |
| 192 | 106 | London Tin 20p | 148 | ...... | 7.0 | 1.5 | 7.3 |
| 220 | 93 | Malay Dredging | 173 | −2 | 10.7 | 2.0 | 9.5 |
| 41 | 22½ | ♠Pahang | 29 | ...... | Qh2.6 | ♦ | 13.8 |
| 65 | 41 | Pengkalen 10p | 45 | ...... | 7.0 | 1.0 | 23.9 |
| 112 | 75 | Petaling $M1 | 110 | ...... | — | — | — |
| 23 | 8 | Saint Piran | 21 | ...... | 0.63 | 3.5 | 4.6 |
| 135 | 68 | South Kinta (10p) | 90 | −3 | 9.5 | 1.5 | 16.2 |
| 180 | 73 | Sthn. Malayan | 118 | ...... | 10.7 | 0.9 | 14.0 |
| 83 | 33 | Sungei Besi 20p | 33 | ...... | ‡6.0 | 3.0 | ‡ |
| 43 | 29 | Sungei Way $M1 | 29 | ...... | 2Q10 | — | 6.0 |
| 84 | 48 | Tanjong 15p | 48 | ...... | 4.35 | 2.3 | 13.9 |
| 75 | 50 | Tongkah Hb $M1 | 52 | ...... | Q23% | 0.6 | 8.4 |
| 93 | 42 | Tronoh | 69 | −1 | †4.02 | 3.5 | 9.0 |

### COPPER

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 112 | 42 | Botswana RST P2 | 58 | −2 | — | — | — |
| 390 | 196 | Messina R0.50 | 305 | −5 | Q35c | 1.9 | 6.3 |

### MISCELLANEOUS

| 1975/6 High | Low | Stock | Price | + or − | Div Net | Cvr | Yld Gr's |
|---|---|---|---|---|---|---|---|
| 8½ | 3 | Burma Mine 17½p | 8 | ...... | m0.5 | — | 17 |
| 65 | 17 | Charterhall 5p | 34½ | +1 | — | — | — |
| 115 | 40 | Colby Mines $1 | 60 | ...... | — | — | — |
| 830 | 360 | Cons. Murch. 10c | 800 | +20 | Q80c | ♦ | 5.5 |
| 53½ | 29½ | Laurasia | 34½ | −2 | — | — | — |
| 375 | 200 | Northgate C$1 | 390 | +15 | ‡Q25c | 2.0 | 4.6 |
| 211 | 80 | R.T.Z. | 201 | −3 | g5.51 | 4.4 | 4.2 |
| 135 | 47½ | Sabina Inds. C$1 | 103 | +3 | — | — | — |
| 81 | 45 | Stanford Minesl | 45 | ...... | — | — | — |
| £12½ | 874 | Tara Exptn. $1 | £10¼ | ...... | — | — | — |
| 92 | 38 | Yukon Cons. C$1 | 92 | +2 | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures: they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ¶ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1975. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 23

FINANCIAL TIMES
Thursday January 22 1976



CONCORDE, OVER ONE HURDLE, FACES BIGGEST CHALLENGE . . .

# Smooth trip into supersonic era

BRITISH AIRWAYS and Air France to-day inaugurated a new era in civil aviation with a simultaneous opening of Concorde supersonic airliner services to Bahrain and Rio de Janeiro.

After 13 years of development and expenditure of more than £1bn. it is now the airlines' task to turn the technical achievement into a financial succes.

To-day's BA flight from Heathrow to Bahrain was smooth and trouble-free: a hopeful augury for the future. Flight-time for the 3,515-mile journey was 3hrs 38 mins., which was 15 minutes ahead of schedule.

The aircraft carried a full load of 100 passengers—mostly guests, although there were 28 fare payers aboard. Booking for the twice-weekly services over the next few weeks are reported good although clearly British Airways could do with more. Nevertheless the airline is hopeful these will flow in as more people become aware of the time-savings that Concorde can offer (nearly three hours on normal subsonic time).

Both Concordes left the ground at 11.40 GMT. Greetings were exchanged in flight as the British Concorde passed by Paris. Concorde went supersonic as it reached the Adriatic Sea and was flying twice the speed of sound by the time it was over the Mediterranean Sea. It continued supersonically over *Lebanon, Syria and Jordan*, decelerating to subsonic speed over Saudi Arabia.

The guest list was headed by the Duke of Kent, Mr. Peter Shore Secretary for Trade and Mr. Eric Varley, Secretary for Industry, and included most of British aviation's leading personalities among them Sir George Edwards, former chairman of the British Aircraft Corporation and Lord Boyd-Carpenter, chairman of the Civil Aviation Authority.

*One of the more* colourful aspects of the day was the robe and headdress worn by a fare-paying pasenger, Mr. Bob Ingham, 50, a plant-hire firm manager from Trowbridge. He had applied for his ticket in 1969 and decided to wear "a futuristic outfit for a futuristic aeroplane."

British Airways was not amused but could do little since Mr. Ingham had paid his fare.

## Covered

The other passengers were *mostly businessmen visiting the* Gulf. One enterprising passenger, however, Mr. Philip Croucher, had booked his seat nine years ago and was planning to make a profit by carrying 6,000 first-day covers to get them *stamped in Bahrain for* subsequent sale in the U.K.

He had already arranged his market and was expecting to clear £12,000. He had to pay over £200 in excess baggage charges.

Concorde now faces its biggest challenge—proving its economic and social acceptability on the world's long haul air routes.

British Airways is pressing ahead with its negotiations for additional route rights which it urgently needs to provide employment for the fleet of five, worth £150m., it is buying. A second Concorde is due for delivery by mid-February and a third by the spring. The Bahrain route alone will be insufficient to keep these aircraft fully occupied.

While, ideally, BA would like the transatlantic route to New York, it recognises that this may not become available for some time, if at all, this year.

Initially, BA plans to extend the Bahrain route to Singapore *as soon as permission is given* and to fan out from there with routes down to Melbourne, Australia, and up to Hong Kong and eventually also Tokyo.

From Tokyo the possibility emerges of flying to Anchorage, Alaska, and then on to London, providing a globe-girdling Concorde operation.

Similarly, negotiations are being pushed ahead with the Soviet Union for a supersonic service across Siberia via Novosibirsk to Tokyo. The possibility of a route to Johannesburg has not yet been abandoned despite political objections to intermediate stops in Black Africa such as at Lagos.

Air France also has plans to *expand Concorde routes*, first to Caracas, Venezuela, by April 1, and then, probably, also to Buenos Aires. Air France is also strongly interested in supersonic operations to parts of Africa which have strong French connections and into the Pacific area.

The key to the success of the Concorde operation depends on the speed with which this expansion can be achieved and the economic results emerging from the aircraft's performance in service.

*Lorne Barling writes: Thousands* of people thronged to Heathrow Airport yesterday to watch Concorde depart, creating traffic jams as they stopped cars on perimeter roads.

More than 3,000 people were *on the roof gardens of* the Queen's building to see the aircraft, boosted by the massive power of its engines, lift off in perfect weather conditions.

At Charles de Gaulle airport the French Concorde—flying to Rio de Janeiro—had a send off from a rumba band, hundreds of guests invited to a Champagne party and from thousands of sightseers on the airport terraces.

Messages were exchanged between the Queen and the President of France, Giscard *d'Estaing. The Queen also con*gratulated Sir Henry Marking, managing director of British Airways, saying: "I wish every success to this beautiful aircraft now going into service."

But the inauguration was not universally welcomed: Mr. Geoffrey Holmes, environmental health officer for Reading, said that recording instruments set up to monitor noise between 500 and 700 feet showed 134 perceived noise decibels, compared with the 110 limit in the Heathrow area.

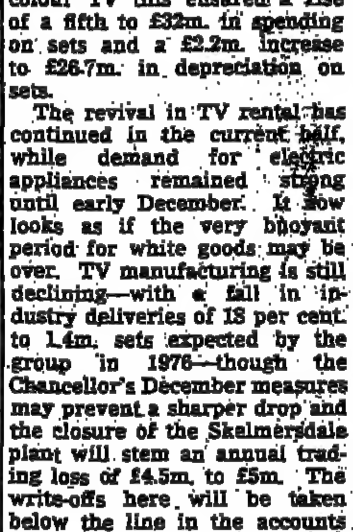
He said: "The noise was ex*cruciating, above the level of* pain," but added that there had been an improvement.

THE LEX COLUMN

# Thorn regaining its status

Thorn now looks like recouping a sizeable part of last year's £8.7m. profits decline: after six months, the pre-tax total is £3.4m. higher at £31.5m. Closure of loss-makers saved a couple of million pounds, while sales of electric domestic appliances rose by 40 per cent., contributing an extra £2m. to £3m. in profits, and interest charges were £2m. lower.

In contract, the recession has delayed the expected recovery in lighting and the increase in VAT has hit the consumer electronics division, where U.K. profits—three-fifths of the pre-interest total last year—fell sharply in the first half, largely offset by an improvement overseas. TV manufacturing has had a particularly difficult time, and the uncertainties and changes in the VAT rate on rental cost over £1.5m., but new placements picked up towards the end of the half. And




coupled with rapid growth in Australia on the introduction of colour TV this ensured a rise of a fifth to £32m. in spending on sets and a £2.2m. increase to £26.7m. in depreciation on sets.

The revival in TV rental has continued in the current half, while demand for electric appliances remained strong until early December. It now looks as if the very buoyant period for white goods may be over. TV manufacturing is still declining—with a fall in industry deliveries of 18 per cent. to 1.4m. sets expected by the group in 1976—though the Chancellor's December measures may prevent a sharper drop and the closure of the Skelmersdale plant will stem an annual trading loss of £4.5m. to £5m. The write-offs here will be taken below the line in the accounts so the overall pre-tax target for the year could be £70m. or so, against £65.4m.

Meanwhile, liquidity is improving, and by the year-end debt could be £15m. to £20m. lower than the March, 1975, total of £99m. These strengths plus the hope that the group has passed the bottom of the profits cycle explains the shares' recent relative strength at 234p with a prospective p/e *of just under 10 and a yield of* 4 per cent.

## Index fell 7.8 to 388.4

## Inflation accounts

The Stock Exchange is to be congratulated on its moves to get early information on inflation accounting produced by listed companies during the interim period before a full current cost accounting standard is produced. This week companies have been receiving a letter asking them to give additional figures as soon as possible, which reading between the lines could imply a request for a response, at least from large companies, at the time of the calendar 1975 accounts. The example is being quoted of Smiths Industries which last November was able to produce estimates of three out of four items specifically requested by the SE—the cost of sales adjustment, the value to the business of the assets being depreciated, the depreciation charged on those assets, and the current purchasing power adjustment to net monetary assets.

The original Press announcement by the SE succeeded in upstaging the statement the same day from the accountancy bodies. Unfortunately the SE appears to have been a little over-enthusiastic in its initial proposals, and the final letter to companies omits the original request for a further piece of information, the effect of inflation on the equity interest.

This forms a crucial element of the accountants' modified Sandilands proposals. It would allow the production of a statement of real gains, divided into current cost operating profit, monetary gains, and real (rather than money) holding gains on fixed assets and stocks. But it is now felt that this ...ould be asking too much of ...panies at this stage—it wou... require reappraisal of assets ... the start of the year as well a... close, and such information ... really have to await full ...dilands accounts. Companies ...y have trouble enough simpl... decid- ing how to calculate t... value to the business" of thei... assets.

## Union Discou

Like Alexanders ... Union Discount ha... lower net profits for in this case a declin... cent. to £3.07m. A way stage Union ha... higher pre-tax pro... to the decision to ... in the favourable c... the first quarter ... actively *in short gilt* ... ditions turned mi... later in the year, w... margins fading awa... nothing and the ... turning very tricky in July and Octo... Union earned noth... much in the second January-June, althou... realised profits on it... book must have been ing quite fast in Dec... will have helped ... *off to a very health*...

There are visibl... Union's returning ... The overall book is a fifth to £786m., g... at December 31 ... against nil a year a... average length of the book has stret... days against 62 d... 1974 and just 48 day... ago. Moreover the up by the maximum yield of 7.6 per ce... That level of ret... strates that the disc... are regarded as ... risk investments ar... conditions are like favourable for the months nobody ca... clearly beyond that.

## Carpets Intern

Carpets Internat... mates 1975 profits *pre-tax and the c*... could well see ... topping £3m., again... 1974. Australia—w... £2.1m. out of a £7... 1973—is now out and losses elsewhe... are being eliminat... at home remains ... but CI's tax char... moving down to ... levels and that alon... a fifth to 1975's net profits. Thus, yester... rights issue may lower earnings for year. The divide... being maintained; shares, which have over a quarter in ... still yield an ex-ri... cent., and this is covered.

# 'Realistic' budget for U.S.

BY DAVID BELL

**WASHINGTON, Jan. 21. PRESIDENT FORD to-day sent Congress his $394.2bn. budget for 1977 which, he said, reflected the "common sense and the new realism" of his economic policies.**

The Budget sticks closely to the lines laid down by the President in his State of the Union message.

Apart from a $8.3bn. increase in defence spending, minor increases in a very few social programmes and the promise of a further tax cut, the emphasis is firmly on consolidations and the need to prune Government spending wherever possible.

Mr. Ford clearly hopes that the "enlightened conservatism" of the budget will prove to be in tune with the voters who, the President believes, are increasingly worried that *federal spending is in real* danger of getting out of control.

The President promised a balanced budget by 1978 if his measures are speedily adopted by Congress.

One of these measures—the return of $10bn. to the states for them to spend as they think fit on social programmes—is clearly an attempt to cut the ground from under Mr. Ronald Reagan, who has proposed a similar scheme and is constantly attacking the Federal Government as too large and too out of touch with local needs.

## 'Hold the line'

The President's "hold the line" approach brought a stinging attack to-day from Senator Hubert Humphrey, a leading, though undeclared, contender for the Democratic Presidential nomination.

"The President has managed to produce a budget which will create neither private nor public jobs and which by his own forecast, projects unemployment will be 6.4 per cent. in 1978 and even 5.8 per cent. in 1979, he said.

But while other liberal Congressmen attacked the President for neglecting the needs of the poor, the old and the disadvantaged and for failing to give the economy enough stimulus, Rep. George Mahon, chairman of the House Appropriations Committee, cautioned his Democratic colleagues against the temptation to increase the budget in the face of a "shockingly high" national debt.

For the first time, the budget goes before a new joint Congressional budget committee which is likely, particularly in an election year, to prove extremely independent in dealing with the President's proposals.

It is considered likely, for instance, that the Defence Department will not get all that it is seeking and that there *may be* added appropriations for some social programmes.

Ford's growth path, Page 4

# Unions agree to docks Bill amendments

BY CHRISTIAN TYLER, LABOUR STAFF

TRADE UNIONS whose members are affected by the Government's controversial Bill to extend the rights of dockers agreed a set of amendments yesterday which they expect to see written into the Bill after its Second Reading in a few weeks' time.

Unions which had feared the Bil lwould allow undue encroachment of the dockers, represented by the Transport and General orkers' Union, believe they will have guarded themselves against that if, as expected, the Government agrees to the changes.

But for the TGWU dockers yesterday's agreement does not mean they have made concessions, but merely underwritten pledges already given that they had no intention of taking away other union members' jobs or moving into non-dock "territory."

Twelve unions, including the TGU unanimously adopted the proposed amendments at a meeting of the TUC Transport Industries Committee. The TUC will now ask Mr. Michael Foot, the Employment Secretary, to announce the changes when he introduces the Second Reading.

These changes will be mainly of drafting, to spell out more clearly which jobs and industries are to be excluded from the extension of the dock labour scheme.

For instance, it will be made clear that wholesale and retail businesses inside the extended cargo-handling zone are not the dockers' preserve. Similarly, long-established warehouses round the ports, but not involving dock work as such, will be exempt.

The unions also hope to extend the period of consultation that precedes a decision by the reconstituted National Dock Labour Board to declare a depot or job as "dock work."

One immediate consequence of the united approach is that union-sponsored MPs, who at one stage threatened to vote against the Bill, will probably be urged to endorse it.

Another is that the Bill may remove fears expressed by many employers that they would be unfairly obliged to employ expensive dock labour. Most of the criticism by employers, however, is directed at the entire scheme.

There is no suggestion that cargo-handling operations set up inland to escape present dock labour scheme areas will be exempt when the caro-handling zone is extended to cover a 10-mile corridor round the ports and along navigable waterways.

The union amendments would not lessen the difficulty the Government faces in getting the Bill through Parliament, since the industry lobby is large and united against it.

The TUC Transport Committee, which is chaired by Mr. Jack Jones, TGWU general secretary, was careful to record its unanimous support for the Dock Work Regulation Bill as a whole.

The TGWU leadership has had to face criticism from among its own driver and warehouse members, afraid that they would be compelled to give up existing wage agreements to join the dockers' register.

Worries about the Bill have also been voiced by the National Union of Railwaymen, the General and Municipal Workers' Union and the Union of Shop, Distributive and Allied Workers.

# Change of role for new CBI supremo

By Adrian Hamilton

THE NEXT director-general of the CBI is thought to have been finally picked and announcement is expected early next week.

At the same time, the Confederation of British Industry is seeking a new deputy director-general to replace Mr. Lucien Wigdor, who is planning to return to industry in the summer.

The new director-general may well find himself with rather a different role than his predecessor Sir Campbell Adamson, the current director-general.

Lord Watkinson, who is due to become President in May, has expressed strong opinions on the future of the CBI as a more powerful and efficient influence on Government policy-making than it is at present and it seems doubtful that he will allow the new permanent chief executive the same freedom as has traditionally been allowed.

His views, published in a book to-day, have been to a large extent backed up by a committee of enquiry into the "CBI's aims and organisation" presented to the council yesterday.

The main conclusion of the committee of three—Lord Plowden, Sir John Partridge and Sir Philip Allen—is that the Confederation should set up a high-powered president's committee of 26 to give the president and the director-general a constant flow of advise as issues and particular circumstances arise.

Representing both the permanent staff of the confederation, its senior committee chairman and regional chairmen as well as the nationalised industries, small firms and the City, the president's committee would replace the informal consultative committee set up two years ago.

It would meet regularly and *frequently and would advise "on* the CBI's strategy . . . the tactics to employ in any negotiations in which the CBI is at any time engaged and on the conduct of its relationship with other bodies both public and private."

Editorial Comment, Page 20

# NUR warns against fare rise

BY CHRISTIAN TYLER, LABOUR STAFF

THE NATIONAL Union of Railwaymen warned yesterday that it might try to stop British Rail bringing in another round of fare increases because of evidence that last year's 51 per cent increase in fares has driven thousands of passengers away.

Mr. Sid Weighell, NUR general secretary, said that passenger volume dropped nearly a quarter in the London Midland region and 30 per cent. on the "flagship" line, the London-Glasgow route, electrified last May.

*British Rail is understood to* be looking for a rise of 10 per cent. in Inter-city fares and 17 per cent. in commuter fares from about the end of March.

Mr. Weighell said that such increases would drive even more pasengers away and the NUR would be taking a "strong line" when it met the British Rail Board to discuss pricing next month.

It emerged yesterday that all three rail unions have lodged pay claims for next April.

Union leaders warned yesterday that they would have great difficulty in persuading their members to keep strictly to the Government's £6 pay policy.

Whatever the claim, this year's wage rises will make it even more difficult for Britain Rail to achieve its financial targets.

Mr. Weighell said that either fares would have to go up—but could not be allowed to do—or further economies must be made.

Last year, the 250,000 British Rail employees won pay rises of nearly 30 per cent. after the NUR threatened a national strike and an arbitration award was later "topped up" by the Board.

Mr. Weighell's passenger volume figures were confirmed with some qualifications by British Rail yesterday. Use of London Midland inter-city services was running at a rate 24 per cent. down on the year, with a bigger loss on the Euston-Glasgow line.

But London Midland was not typical and elsewhere the volume drop was not as great. East Coast, South Wales and South-West services were "holding up well."

*Revenue for the network as* a whole was estimated to have to increase by £90m. to £430m. for 1975 mainly as a result of the fare rises.

The unions, which are campaigning vigorously against what they see as serious long-term rail cuts implied by present investment targets, admitted that this year's wage negotiations could be tough.

This is because about £2 of last year's settlement was paid on August 4, four days after the pay policy started. This sum, they expect, will have to be offset against the £6 rise which they will almost certainly seek.

Mr. Weighell said that the wage claim was "bristling with difficulties."

Mr. Ray Buckton, general secretary of the Associated Society of Locomotive Engineers and Firemen, warned that unless the Government acted on unemployment it would be "difficult to persuade members of the logic of the £6 limit, especially if some *of their last rise had to be offset.*

# Final quarter recovery Akzona

BY MICHAEL VAN OS

AMSTERDAM, Jan. 21.

AKZONA, the U.S. chemicals affiliate of the Dutch-based Akzo group, to-day reported net profits totalling $7.9m., or 63 cents a share, on sales of $682m. The *results were greatly aided by the* recovery in the final quarter—when net profit was $7.7m. against a loss of $0.29m. for the same period in 1974.

The statement released by Akzo in Arnhem to-day adds that Akzona recorded a net profit of $33.4m. in 1974 and earned $2.68 per share on sales of $754m. The results for 1975 include an after-*tax charge of 40 cents per share*, reported in the first quarter, for the shut-down of the last remaining American Enka plant producing rayon filament yarn. This product had sales of $63m. in 1974 and only $21m. in the past year.

Fourth quarter earnings reflected the "steady recovery" of operations during 1975. This *started* from a first quarter operating loss of $1.2m., improving to a profit of $2.1m. in the second quarter and $4.3m. in the third quarter.

# Bank machine for office

THE FIRST push-button banking machine to be installed in an office in England by Barclays Bank was opened in Norwich yesterday for 1,000 employees at the Norwich Union insurance group head office.

Barclays decided to instal the machine because a third of the Norwich Union head office staff already have their salaries paid through their banks.

The machines will take customers' deposits and pay out cash in sums of up to £50 a day.

Continued from Page 1

# Italy in IMF talks

The commercial banks, however, are free to conduct foreign exchange operations on a market basis and in this way the lira will find its own level.

Closure of the market was not expected and there was considerable confusion to-day as the banks sought to reorganise their operations.

Exchange markets were closed in February and March, 1973, at the time when Italy floated the lira in the context of generalised currency floating.

Initial reaction on the unofficial, or parallel, market was to quote the lira at between 810 and 815 to the dollar, but closing rates in Rome to-night were giving 797 compared with 780 yesterday.

The Bank of Italy is taking as its point of reference the lira/DM rate at Frankfurt, where the lira was quoted to-day at DM3.71 per 100 to give a cross-rate of 702 to the dollar. Yesterday's official Italian closing rate was 686.

# Rank top men statement likely to-day

By Stewart Fleming

A STATEMENT about future senior management changes at the Rank Organisation is expected to-day, when the company announces its preliminary profit figures for the year to October, 1975. It was also anticipated in the City yesterday that a clear statement about the enfranchisement of the company's "A" non-voting Ordinary shares would be made.

The preliminary figures are expected to be disappointing in comparison with the company's historic profits performance. Stock market analysts were basing their forecasts on recent figures from Xerox Corporation in the U.S., which holds a controlling interest in Rank Organisation's associate Rank Xerox.

In spite of the modest expectations in the Stock Market about the likely trading results, Rank Organisation's shares were a nervous market yesterday in view of the uncertainty of the terms and timing of the expected management and enfranchisement statements. The Ordinary shares fell 5p to 190p, and the "A" shares 10p to 170p.

## Weather

SHOWERY. Mild in S., normal in N. Some snow in Scotland.

**London, S.E., Cent. S., S.W. England, E. Anglia, E. Midlands, Channel Is.**

Cloudy; some rain. Winds W., fresh or strong. Becoming mild. Max. 10C (50F).

**E., N.W., Cent. N., N.E. England, West Midlands, Wales**

Cloudy, rain. Winds W., strong or gale. Becoming mild. Max. 10C (50F).

**Lake Dist., I. of Man, Border, Edinburgh, Dundee, S.W. Scotland, Glasgow, N. Ireland**

Rain, clearing to showers later. Winds W., strong or gale, possibly severe gale. Max. 8C (46F).

**Aberdeen, Cent. Highlands, Moray Firth**

Rain, some snow, showery later. Winds W., strong to severe gale. Max. 5C (41F).

**N.E. Scotland, Orkney, Shetland**

Wintry showers, bright intervals. Winds N.W., strong or gale. Max. 3C (37F).

Outlook: Sunny intervals, wintry showers. Night frost.

Lighting-up time: London 17.00; Manchester 17.03; Glasgow 16.57; Belfast 17.10.

BUSINESS CENTRES

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Alexandria | C | 11 | 52 | Madrid | S | 11 | 52 |
| Amstrdm. | C | 9 | 48 | Manchstr. | C | 8 | 46 |
| Athens | S | 11 | 52 | Melbourne | C | 19 | 66 |
| Barcelona | S | 12 | 54 | Mexico C. | C | 11 | 52 |
| Belfast | R | 7 | 45 | Milan | F | 1 | 34 |
| Belgrade | C | 5 | 41 | Montreal | C | −8 | 17 |
| Berlin | F | 5 | 41 | Moscow | Sn | −10 | 14 |
| Birmghm. | C | 8 | 46 | Munich | F | 4 | 39 |
| Bristol | F | 9 | 48 | Newcastle | S | 8 | 46 |
| Brussels | F | 8 | 46 | New York | C | −1 | 30 |
| B. Aires | S | 22 | 71 | Oslo | S | 3 | 37 |
| Cairo | S | 16 | 60 | Paris | C | 8 | 46 |
| Cardiff | C | 8 | 46 | Perth | S | 29 | 84 |
| Cologne | C | 6 | 43 | Rio de J'o | S | 35 | 95 |
| Copnhagn. | C | 5 | 41 | Rome | F | 10 | 50 |
| Dublin | S | 8 | 46 | Singapore | S | 28 | 82 |
| Edinb'gh | F | 6 | 43 | Stockholm | S | 1 | 34 |
| Frankfurt | R | 6 | 43 | Strasb'rg | C | 7 | 45 |
| Geneva | C | 6 | 43 | Sydney | R | 22 | 72 |
| Glasgow | C | 6 | 43 | Tehran | R | 9 | 48 |
| H. Kong | S | 17 | 63 | Tel Aviv | S | 15 | 59 |
| Jo'burg | S | 24 | 75 | Tokyo | C | 4 | 39 |
| Lisbon | S | 10 | 50 | Vienna | C | 6 | 43 |
| London | C | 9 | 48 | Warsaw | F | 4 | 39 |
| Luxembg. | C | 3 | 37 | | | | |

HOLIDAY RESORTS

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | F | 14 | 57 | I. of Man | F | 9 | 48 |
| Algiers | S | 14 | 57 | Istanbul | S | 4 | 39 |
| Biarritz | C | 11 | 52 | Jersey | R | 8 | 46 |
| Blackpool | C | 8 | 46 | Luxor | S | 19 | 66 |
| Bordeaux | C | 10 | 50 | Malaga | S | 15 | 59 |
| Casablnca. | S | 15 | 59 | Malta | C | 14 | 57 |
| Cape Town | S | 28 | 82 | Nairobi | S | 24 | 75 |
| Corfu | C | 11 | 52 | Naples | F | 11 | 52 |
| Cyprus | C | 15 | 59 | Nice | S | 14 | 57 |
| Dubrovnik | C | 9 | 48 | Oporto | S | 11 | 52 |
| Faro | S | 16 | 61 | Rhodes | C | 11 | 52 |
| Funchal | C | 16 | 61 | Tangier | S | 17 | 63 |
| Guernsey | C | 8 | 46 | Tunis | C | 14 | 57 |
| Innsbruck | C | 7 | 45 | Venice | F | 3 | 37 |
| Inverness | F | 4 | 39 | | | | |

C—Cloudy. S—Sunny. R—Rain. F—Fair. Sn—Snow.



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هكذا صدر الأصل